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Supplement to the Weekly Bulletin
OF THE
DEPARTMENT OF TRADE AND COMMERCE

ANNUAL REVIEW OF THE WORK
OF
THE CANADIAN COMMERCIAL
INTELLIGENCE SERVICE

For the Year Ended December 31, 1916

Published by Authority of the Rt. Hon. Sir George E. Foster, K.C.M.G., M.P.
Minister of Trade and Commerce.



OTTAWA

Printed by J. DE L. TACHÉ
Printer to the King's Most Excellent Majesty.

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COMMERCIAL INTELLIGENCE SERVICE.

REVIEW FOR THE YEAR 1916.

The Commercial Intelligence Service of the Department of Trade and Commerce is designed to promote the sale of the products of Canadian farms, forests, fisheries, mines and factories in countries overseas by furnishing information to importers in distant lands about the resources and products of Canada while at the same time making Canadians acquainted with the demand for various products in other countries and all the conditions affecting their sale.

Canada has always been a large exporter of farm products, fish and crude materials from forests and mines, but manufactures did not bulk largely in the exports until the closing years of the last century. For the first fiscal year of the 20th century the exports of manufactures amounted in value to \$16,012,208. The growth of exports of different classes of Canadian products during the last six years is shown in the following table:—

Year.	Farm Products.	Forest Products.	Fisheries.	Minerals.	Manufactures.
	\$	\$	\$	\$	\$
1911.....	134,845,458	45,439,057	15,675,544	42,787,561	35,283,118
1912.....	155,354,029	40,892,674	16,704,678	41,324,516	35,836,284
1913.....	194,930,040	43,255,060	16,336,721	57,442,546	43,692,708
1914.....	251,569,148	42,792,137	20,623,560	59,039,054	57,443,452
1915.....	209,136,793	42,650,683	19,687,068	51,740,989	85,539,501
1916.....	352,543,470	51,271,400	22,377,977	66,589,861	242,034,998

In this table exports of agricultural produce and animals and their produce are combined under one heading. Included in these farm products are a number of food products that are actually manufactures. Thus the cheese exported during the fiscal year 1916 which was valued at \$26,690,500 was practically all factory made. The growth of exports of manufactures would make a more remarkable showing if all foods prepared in factories and forest products that have undergone some process in mills were included. The exports of manufactures in 1916 were largely munitions and other war supplies, but the figures for the fiscal year 1914, which ended about four months before the outbreak of the war, are sufficiently remarkable when it is remembered that a few years before a large proportion of the Canadian people believed that Canada could never be a manufacturing country. Even as late as the year 1894 the High School Geography of Ontario contained the extraordinary statement that Canada was not naturally adapted for manufacturing industries.

The first stage of manufacturing development was to get a foothold in the home market; to do so Canadian manufacturers were often obliged to stamp their goods as made abroad because merchants could not be persuaded that their customers would buy goods of home manufacture. That stage has passed. No one in Canada now believes that the country is not naturally adapted for manufacturing and the *Made in Canada* stamp has become so popular throughout the Dominion that cases are known of foreign manufacturers marking their goods *Made in Canada* in order to promote their sale in this country.

The next stage of development is to make the stamp "Made-in-Canada" well known and popular in countries overseas. Many of our manufacturers are still pessimistic about overseas trade and scoff at the idea of Canadian manufacturers competing in foreign markets in the same way that many people formerly ridiculed the possibility of Canadian manufactures competing in the home market. But the rapid growth in the exports of manufactures during the fifteen years preceding the outbreak of war indicates that this lack of confidence was fast passing away.

"Can the exports of Canadian manufactures be maintained at the war level when the demand for munitions and other war supplies ceases?" is a question often asked. It can be maintained if Canadian manufacturers in general will really study the possibilities of export trade and organize for export business immediately following the war. Great as Canada's exports have been during the war the total is small compared with Germany's export trade the year before the war began. To secure sufficient overseas business to replace the present war orders Canadian manufacturers would only need to capture a small percentage of Germany's former export trade in markets where German goods are likely to be unpopular for many years. Some classes of German goods were so cheap that Canadians could not hope to compete with them, but in many cases they were not exceptionally cheap.

After the war there will be a period of reconstruction in countries devastated by German and Austrian invaders. Great quantities of cement, structural steel, exterior and interior woodwork, builders' hardware, etc., will be required.

In the allied countries and many neutral countries merchants' supplies of textiles, hardware, smallwares and other goods will be almost exhausted at the close of the war. The great demand for nearly every kind of manufactured goods may have a tendency to maintain prices and permit Canadian competition in countries where under ordinary conditions Canadian manufacturers would find it difficult to get a foothold.

In all the manufacturing countries of Europe workingmen have become accustomed to a higher scale of wages than they enjoyed before the war. While wages have also increased in Canada and the United States it is probable that in the readjustment which will take place after the war the wages in European countries will more nearly approximate the wages paid in America than they ever did before.

We have great natural advantages. Many raw materials are found in abundance and we have almost a monopoly of several important minerals, while the geographical position of Canada is most favourable for bringing in supplies of those raw materials that cannot be produced in the country. Few Canadians realize the great advantage that the possession of numerous water-powers gives Canadian manufacturers in competition with a country like Germany which almost entirely lacks waterpower. The modern development of hydro-electric power and its long distance transmission has transformed the industrial situation in Canada and we are only at the beginning of its development.

Without in any way minimizing the value of the home market it may be said that the possibilities of export trade are well worth the careful consideration of Canadian manufacturers. They should at least take pains to inform themselves and it is the aim of the Commercial Intelligence Service of the Department of Trade and Commerce to furnish any information that may be asked for.

THE COMMERCIAL INTELLIGENCE SERVICE ABROAD.

The officers of the Commercial Intelligence Branch stationed abroad include Trade Commissioners who devote their whole time to the service and Commercial Agents who may engage in business on their own account but are allowed a small salary for certain services rendered. From time to time Special

Trade Commissioners are sent abroad for the purpose of commercial investigation in connection with some special branch of Canadian trade.

In accordance with an arrangement made by the Minister of Trade and Commerce with Sir Edward Grey in July, 1912, a large number of British Consuls were also placed at the disposal of Canadians, who may wish to consult them in reference to trade matters. A selected list of twenty-eight British Consulates appears from time to time in the Weekly Bulletin and letters are frequently addressed to these officers from Canada. The replies are sent in duplicate to the Department and original letters are forwarded to the firms who have written the Consulates. These often consist of carefully drawn statements relating to inquiries, indicating the prospects of exporters and giving names of importing firms. The address of Consulates not included in the list referred to can be obtained from the Department. It will be seen that the sources of information provided by the network of trained observers in the British Consulates throughout the world is of great value to Canadian men of business whether for purposes of export or import, and the importance of the facilities will increase with the development of Canada.

At the present time the personnel of the Commercial Intelligence Service abroad is as follows:

CANADIAN TRADE COMMISSIONERS.

- Argentine Republic.*—B. S. Webb, Acting Canadian Trade Commissioner, Reconquista No. 46, Buenos Aires. *Cable Address, Canadian.*
Australia.—D. H. Ross, address for letters—Box 140 G.P.O., Melbourne. Office—Stock Exchange Building, Melbourne. *Cable Address, Canadian.*
British West Indies.—E. H. S. Flood, Bridgetown, Barbados, agent also for the Bermudas and British Guiana. *Cable Address, Canadian.*
China.—J. W. Ross, 13 Nanking Road, Shanghai. *Cable Address, Cancom.*
Cuba.—Acting Canadian Trade Commissioner, Lonja del Comercio, Apartado 1290, Havana. *Cable Address, Cantracom.*
France.—Philippe Roy, Commissioner General, 17 and 19 Boulevard des Capucines, Paris. *Cable Address, Stadacona.*
Italy.—W. McL. Clarke, c/o British Consul, Milan.
Japan.—E. F. Crowe, Acting Canadian Trade Commissioner, P.O. Box 109, Yokohama. *Cable Address, Canadian.*
Holland.—Ph. Geleerd, Acting Canadian Trade Commissioner, Zuidblaak 26, Rotterdam. *Cable Address, Watermill.*
Newfoundland.—W. B. Nicholson, Bank of Montreal Building, Water street, St. John's. *Cable Address, Canadian.*
New Zealand.—W. A. Beddoe, Union Buildings, Customs street, Auckland. *Cable Address, Canadian.*
Russia.—C. F. Just, Canadian Government Commercial Agent, Alexandrinskaya, plosch 9, Petrograd. L. D. Wilgress, Canadian Government Commercial Agent, Bukhholza Ulitsa No. 4, Omsk, Siberia.
South Africa.—W. J. Egan, Norwich Union Buildings, Cape Town. *Cable Address, Cantracom.*
United Kingdom.—Harrison Watson, Sub-division E. C. 2, 73 Basinghall street, London, E. C., England. *Cable Address, Sleighing, London.*
J. E. Ray, Central House, Birmingham. *Cable Address, Canadian.*
J. Forsyth Smith, Acting Canadian Trade Commissioner, 87 Union street, Glasgow, Scotland. *Cable Address, Cantracom.*
F. A. C. Bickerdike, 4 St. Ann's Square, Manchester. *Cable Address, Cantracom.*
J. Forsyth Smith, Century Bldgs, 31 North John St., Liverpool. *Cable Address, Cantracom.*
N. D. Johnston, Sun Building, Clare street, Bristol. *Cable Address, Canadian.*

CANADIAN COMMERCIAL AGENTS.

- Australia.*—B. Millin, The Royal Exchange Building, Sydney, N.S.W.
British West Indies.—Edgar Tripp, Port of Spain, Trinidad. *Cable Address, Canadian.*
R. H. Curry, Nassau, Bahamas.
Norway and Denmark.—C. E. Sontum, Grubbejd, No. 4, Christiania, Norway. *Cable Address, Sontums.*
Spain.—J. F. Roberts, care British Consulate General, Barcelona.

CANADIAN HIGH COMMISSIONER'S OFFICE.

- United Kingdom.*—W. L. Griffith, Secretary, 17 Victoria Street, London, S.W., England. *Cable Address Dominion, London.*

ENLARGED CANADIAN TRADE INTELLIGENCE.

Under the arrangement above referred to made by the Minister of Trade and Commerce with Sir Edward Grey in July, 1912, the Department is able to present the following list of the more important British Consulates whose officers have been instructed by the Foreign Office to answer inquiries from and give information to Canadians who wish to consult them in reference to trade matters.

- Brazil*.—Bahia, British Consul.
Rio de Janeiro, British Consul General.
- Chile*.—Valparaiso, British Consul General.
- Colombia*.—Bagota, British Consul General.
- Ecuador*.—Quitto, British Consul General
Guayquill, British Consul.
- Egypt*.—Alexandria, British Consul General.
- France*.—Havre, British Consul General.
Marseilles, British Consul General.
- India*.—Calcutta, Director General of Commercial Intelligence
- Italy*.—Genoa, British Consul General.
Milan, British Consul.
- Mexico*.—Mexico, British Consul General
- Netherlands*.—Amsterdam, British Consul.
- Panama*.—Colon, British Consul.
Panama, British Vice-Consul.
- Peru*.—Lima, British Vice-Consul.
- Portugal*.—Lisbon, British Consul.
- Russia*.—Moscow, British Consul General.
Petrograd, British Consul.
Vladivostock, British Consul.
Odessa, British Consul General.
- Spain*.—Barcelona, British Consul General.
Madrid, British Consul.
- Sweden*.—Stockholm, British Consul.
- Switzerland*.—Geneva, British Consul.
- Uruguay*.—Monte Video, British Vice-Consul.
- Venezuela*.—Caracas, British Vice-Consul.

SUB-TRADE COMMISSIONERS.

The policy has been adopted of specially educating young men for the Commercial Intelligence Service. While in training they are known as Sub-Trade Commissioners. They are first given a course of education in the office work of the Commercial Intelligence Branch of the Department of Trade and Commerce. After about a year of such training they are sent through the country to call on the leading Canadian manufacturers, study the industries of the country and ascertain what Canadian products are available for export. They are then expected to prepare a report describing what they have learned about the industries of the country.

Five young men have been selected by the Minister of Trade and Commerce. All of them are honour graduates of Canadian universities who had distinguished themselves at college. The first Sub-Trade Commissioners appointed were Mr. Norman D. Johnston and Mr. L. Dana Wilgress, both of whom entered the service in June 1914. Early in 1916 Mr. Johnston was appointed Trade Commissioner in Bristol, England, in succession to the late Mr. E. de B. Arnaud, who died in the service, while Mr. Wilgress was appointed Trade Commissioner at Omsk, Siberia. The other Sub-Trade Commissioners appointed are Mr. W. McL. Clarke, Mr. A. E. Bryan and Mr. A. W. Kennedy. Mr. Clarke recently completed his course of training and has been sent to Milan, Italy, as Trade Commissioner. Mr. Bryan and Mr. Kennedy are still in training.

WORK AT HEAD OFFICE.

Comparing the year 1916 with the year 1915 there was an increase of over 46 per cent in the ordinary correspondence of the Commercial Intelligence

Branch without including many thousands of circular letters and the replies thereto or the furnishing of addresses in connection with Trade Inquiries.

A large number of the letters received embody questions of every conceivable kind. The replies cover a wide range of subjects often demanding careful investigation and inquiry, involving reference to various departments of the Government, to reports and economic literature bearing upon the subject in hand, including the publications of foreign countries, and often resulting in correspondence with persons and firms in all parts of Canada. The services of the Statistical Branch are often sought for the preparation of tabulated statements necessary for the supply of information regarding trade. A standing difficulty in this respect is found in the customs classification which is designed for purposes of revenue and is the foundation of Canadian trade statistics. It is often impossible to interpret these figures as a guide to traders and others, and it is hoped that amendment may follow legislative attention to this highly important subject.

There are many callers at the head office including Canadian producers seeking information with respect to foreign markets, members of Parliament, foreign consuls, government officials, members of boards of trade and others desiring information on some matter connected with Canadian production and export. Some of the interviews take up considerable time and demand careful investigation on the part of the staff of the branch.

All the Trade Commissioners are expected to keep diaries recording the work of their offices and their interviews with business men. Copies of these diaries are sent every month to the head office where they are carefully examined. The Trade Commissioners also send to the head office copies of all their office correspondence. These letters are read and if any useful information is found in the correspondence it is noted by means of a card index so that it is readily available. This system also serves to keep the head office in touch with the work of the Trade Commissioners.

THE WEEKLY BULLETIN.

The editing of the Weekly Bulletin necessitates a great deal of painstaking work by the head office staff.

An important part of the work of Canadian trade officials consists in the preparation of reports reviewing the possibilities for trade with the countries in which they are stationed. These are carefully edited in the Department and are published in the Weekly Bulletin, together with other matter judiciously selected from foreign and home trade journals, statistics of Canadian trade, Canadian grain statistics and crop bulletins, British agricultural produce trade figures, extracts from British and foreign consular reports and miscellaneous articles of varied interest.

WEEKLY BULLETIN TRADE INQUIRIES.

In each number of the Weekly Bulletin there is published a list of inquiries received from merchants abroad. These are forwarded to the Department by the Trade Commissioners and Commercial Agents and are the means of placing foreign buyers in touch with Canadian sources of supply.

During the year 1916 the number of Trade Inquiries published in the Weekly Bulletin was 2,077 as compared with 1,285 during the year 1915. Many manufacturers read these inquiries carefully every week and in a number of cases good orders have been secured. One Montreal house wrote the Commercial Intelligence Branch that as a result of watching the Weekly Bulletin inquiries they secured orders amounting in value to over half a million dollars within a period of three months. The inquiries come from many countries and include a great variety of manufactured articles as well as timber, minerals, farm products and fish.

THE SPECIAL TIMBER TRADE COMMISSIONER.

Mr. H. R. MacMillan who went abroad as Special Timber Trade Commissioner in April, 1915, returned to Canada in August, 1916, after visiting the United Kingdom, France, Holland, South Africa, India, Ceylon and Australia.

Nineteen reports written by Mr. MacMillan were published in the Weekly Bulletin while he was travelling, eight of them relating to lumber markets of the United Kingdom, one to France, one to Holland, one to British South Africa, one to British East Africa, five to British India, one to Ceylon and one to the Fiji Islands. After his return to Canada Mr. MacMillan prepared a report on the Timber Import Trade of Australia which was recently published. Mr. MacMillan's reports contained a great deal of interesting and valuable information regarding the lumber markets of the countries he visited.

COMMERCIAL AND INDUSTRIAL MUSEUM.

With a view to the establishment of a Commercial and Industrial Museum all the Canadian Trade Commissioners were instructed to secure samples of manufactured goods in demand in the different countries where they are located for the purpose of showing Canadian manufacturers what they might make for export. The Trade Commissioners have devoted a good deal of time to the selection of articles and the gathering of information about them and although only a few samples have as yet arrived in Ottawa it is expected that before the war closes a very valuable collection will be available for the inspection of Canadian manufacturers. Owing to war conditions a suitable building for the exhibition of these commercial samples has not yet been secured.

HELPING SALE OF CANADIAN BONDS.

The book "Canada the Country of the Twentieth Century" which was prepared according to the instructions of the Minister of Trade and Commerce for the purpose of giving business men who have never visited the Dominion a comprehensive but epitomized review of its agricultural, forest and mineral resources, its industrial and commercial development and its geographical relation to the markets of the world was really intended for circulation overseas but there was an unexpected demand for it from financial houses in the United States handling Canadian Government and municipal bonds. In a number of cases Canadian municipal bonds formerly held in the United Kingdom have been transferred to the United States at prices that have proved very advantageous while the transfers have at the same time helped to improve the rate of exchange between the United Kingdom and the United States. A number of letters have been received from financial houses in the United States indicating that this book is proving of great value in promoting the sale of Canadian bonds.

TOY FAIRS.

Some months after the outbreak of the war the Minister of Trade and Commerce was informed that merchants were having very great difficulty in securing supplies of toys. The great wholesale houses and department stores of Canada had for many years been sending buyers to Germany every year to purchase toys. The German toys were shut out of the country and merchants could not find substitutes. It was decided to hold an exhibition and conference with a view to encouraging toy making in Canada. It was believed that many Canadian manufacturers might make use of waste materials by making toys as a side line, or that they might sell their waste to manufacturers devoting their attention exclusively to toys. Samples of German toys were secured

to show Canadian manufacturers what was formerly imported that might be made in Canada, and arrangements were made for a display of American toys to illustrate what our neighbours in the United States are doing. In selecting German toys the aim was not to secure a sample of every toy formerly imported from Germany, but only such toys as expert toy buyers believed were in sufficient demand to justify manufacture in Canada.

A systematic investigation was undertaken by the Department of Trade and Commerce to discover Canadian toymakers and when the exhibition opened in the Royal Bank Building, Toronto, on the 28th of March, 1916, there were forty-nine Canadian exhibitors with a most varied assortment of toys and children's playthings. The leading wholesale houses and department stores in Montreal, Toronto, Winnipeg and other Canadian centres were invited to send their buyers and a large proportion of them responded. As most of the toy makers were men of small means and capital was required for the expansion of the industry a large attendance of financial men was secured. Two important results were achieved. The toymakers received orders enough to keep them busy all the year and most of them were able to secure money to carry out their undertakings. Many of the large buyers who had been accustomed to getting toys from Germany expressed amazement at the variety and excellence of Canadian toys.

While the Toy Fair was in progress all the women's organizations of Toronto were asked to send representatives to inspect the toys. After a visit to the fair a union meeting of women's organizations was held in the Board of Trade Assembly Hall at which the National Council of Women, the Women's Patriotic League, the Daughters of the Empire, the Women's Canadian Club, the University Women's Club, the Rosary Hall Association, and other women's organizations were represented and resolutions were unanimously passed calling on the women of Canada to buy Canadian made toys. These resolutions have since been endorsed by many women's organizations from the Atlantic to the Pacific.

The Executive Committee of the Canadian National Exhibition were so pleased with this toy fair that they asked the Minister of Trade and Commerce to arrange for an exhibition of Canadian toys at the Toronto Exhibition. This was agreed to and about seven thousand square feet of space was filled with Canadian toys. The exhibit proved to be one of the most attractive features of the Canadian National Exhibition, being visited by nearly a million people. In addition to the Canadian toys there was a collection of toys purchased in England to show what British merchants would be willing to buy from Canadian toy makers.

All the arrangements in connection with these toy fairs were made by the Commercial Intelligence Branch.

ENEMY SAMPLES EXHIBITION.

Soon after the outbreak of the war the British government arranged for the purchase of samples of German and Austrian goods in about seventy markets of the world to show what the enemy countries had been exporting. After these samples had been exhibited in the leading industrial centres of the United Kingdom the Minister of Trade and Commerce arranged to have them brought to Canada and they were exhibited under the auspices of the Commercial Intelligence Branch of the Department of Trade and Commerce, at Montreal, Toronto, London, Saint John and Halifax. The general public was not invited but an invitation was extended to all the manufacturers and wholesale houses. It is gratifying to note that the attendance was larger in proportion to the populations of the cities where the exhibition was held than in the industrial cities of the United Kingdom where the same classes were invited to attend and where the exhibition was considered a great success. Comparing British

and Canadian cities Toronto stood third in the list and Montreal fifth. The larger attendance at Toronto than at Montreal was due to the fact that many of the small industrial cities of Ontario were represented among the visitors at Toronto.

AFFECTED BY THE WAR.

During the fiscal year 1913 Germany's exports amounted in value to \$2,402,967,000. Austria's exports of merchandise for the same period amounted in value to \$562,246,664. Almost the whole of the export trade of these two great nations excepting to contiguous neutral countries has been cut off by the British navy. At the same time a large number of British and French manufacturers who were making articles for export before the war are devoting their whole attention to the manufacture of munitions. Thus ordinary sources of supply of many manufactured articles throughout the British Dominions and in all neutral countries have been cut off and importers in many countries who never before thought of Canada as a source of supply have sent inquiries to the Department of Trade and Commerce either directly or through the Canadian Trade Commissioners and Commercial Agents stationed in the different countries. These inquiries have greatly increased the correspondence of the Commercial Intelligence Branch. There has been a great demand also in all the allied countries for food and certain kinds of raw materials. Importing merchants have in many cases looked to Canada for supplies.

In Canada also merchants and manufacturers who have been accustomed to import raw materials or finished goods finding it impossible to get their usual supplies from abroad write to the Commercial Intelligence Branch of the Department of Trade and Commerce asking where they can get what they want in Canada.

Owing to the fact that many Canadian manufacturers are busy making munitions while there has been a great shortage of labour in other industries as a result of enlistment of employees it has often been found impossible to get Canadian manufacturers to accept orders for export. Lack of shipping facilities has also in some cases prevented the acceptance of export orders. Nevertheless a number of important orders have been filled.

It is rather discouraging to Canadian Trade Commissioners to find that when after a great deal of trouble they are able to offer Canadian manufacturers reliable orders running into very large amounts no one will accept them.

TRADE COMMISSIONERS REVIEW THEIR WORK.

By the direction of the Minister, the Trade Commissioners and Commercial Agents are required to render at the end of each year an account of their work for publication. The first Annual Review of the Commercial Intelligence Service in which these reports appeared covered the year 1914 and was published early in 1915. The second annual review referring to the year 1915 was published early in 1916. For the present review the various officers of the service were instructed to submit a review of the work of their offices for the promotion of Canadian trade during the year 1916 together with a summary of conditions of trade prevailing in the district or country in which they are stationed. Replies have been received from Mr. D. H. Ross, Melbourne, Australia; Mr. W. A. Beddoe, Auckland, New Zealand; Mr. J. W. Ross, Shanghai, China; Mr. W. J. Egan, Cape Town, South Africa; Mr. B. S. Webb, Buenos Aires, Argentine Republic; Mr. E. H. S. Flood, Bridgetown, Barbados; Mr. Edgar Tripp, Port-of-Spain, Trinidad; Mr. R. H. Curry, Nassau, Bahamas; Mr. P. H. Geleerd, Rotterdam, Holland; Mr. C. E. Sontum, Christiania, Norway; Mr. L. Dana Wilgress, Omsk, Siberia; Mr. Philippe Roy, Paris, France; Mr. Harrison

Watson, London, England; Mr. F. A. C. Bickerdike, Manchester, England; Mr. J. Forsyth Smith, Liverpool, England, covering the work of the Leeds district, Mr. J. E. Ray, Birmingham, England; Mr. Norman D. Johnston, Bristol, England; Mr. J. T. Lithgow, Glasgow, Scotland; and Mr. W. B. Nicholson, St. John's, N.F. Publication was delayed awaiting the report of Mr. C. F. Just, Canadian Trade Commissioner in Petrograd, but it appears to have gone astray in the mails. The reports received from the Trade Commissioners follow:—

ARGENTINA.

REPORT OF ACTING TRADE COMMISSIONER.

(*Mr. Bertram S. Webb.*)

BUENOS AIRES, December 31, 1916.

TERRITORY.

During the year under review no visits have been made by the Acting Canadian Trade Commissioner to points outside the Federal District, but it is hoped that the capital of Uruguay will be visited shortly, as also Rosario, the second city of the Argentine Republic. On those occasions when precise information regarding Brazil, Chile, Uruguay, etc., has been required, British Consular Officers at the various points have supplied it fully and promptly on request and your Commissioner is considerably indebted for such assistance so willingly rendered.

The population of Argentina is thought to have remained stationary, or perhaps decreased during the past twelve months. The Immigration Department ceased to publish complete statistics some eight months ago, but it is easily apparent from a perusal of the passenger lists of vessels arriving and departing, that the excess of emigration over immigration is considerable and probably more than sufficient to off-set the natural increase. The bulk of the emigration has been composed of citizens of allied countries, returning home for the performance of their military duties.

Immigration from Italy, one of the principal contributing countries, has been largely restricted, the authorities of that country preferring, naturally enough, to maintain the supply of labour at home. In spite of these abnormal conditions, however, there has been no shortage of agricultural labour but rather the reverse condition has obtained. During recent months the problem of agricultural unemployment has seriously occupied the Government and orders have been given for the collecting and feeding of the bands of labourers which were roving the country in search of work.

THE TRADE COMMISSIONER'S OFFICE.

The office furnishings have been maintained during the year in good condition and the Canadian furniture in use frequently attracts the attention of visitors. The offices themselves are situated in the best office building in Buenos Aires. A good supply of reference works and literature is kept on hand and Canadian representatives not familiar with Buenos Aires or the Spanish language, have been invited to make the offices their headquarters during their stay; in most cases they have been glad to take advantage of the facilities available.

REPORTS FROM ARGENTINE PUBLISHED IN 1916.

The various subjects dealt with in the monthly report despatched from this office are enumerated below—

Number of Bulletin.	Original Date.	Subjects.
635	January 31, 1916.....	Review of past year. Argentine Foreign Commerce in 1915. Classification of imports. Exports from Argentina. Duties. Comparison of Trade Statistics. Exports. Meat Exports. Quebracho, Butter, Horses. Hides and Wool. Imports. Commercial Failures. Opportunities in South America.
646	March 3, 1916.....	Argentine to establish Manufactures. Local Industries. Development. Capitalization. Annual Output. Argentine Industries according to Annual Output. Notes on the Industries. Electrical Plants. Gas. Carpentry. Mechanical Shops. Jute Factories. Tanneries. Flour. Printing Accessories. Liqueur Factories. Clothes. Agricultural Machinery. Furniture Industry. Victorias. Carriage Building Materials. Ready-made Garments. Saddlery Manufacturers. Duck. Canvas Shoes. Lithographic Works. Butter Factories. Breweries. Furs.
633	March 3, 1916.....	Soap and Candles. Shirts, Cuffs, Collars. Chemical Products. Paint and Varnish Factories. Tinsmiths' Shops. Cooking Stoves. Beds. Metal Ceilings. Cardboard Box Factories. Cotton Wear. New Openings. Difficulties to be Overcome. New York Shipping Agents. Raw or Semi-raw Material Imported.
647	(page 1339).....	Demand for Canadian Lobster in Argentina.
648	May 1, 1916.....	Paper Manufacturing in South America. Argentine Imports of Pulp. Brazilian Imports of Pulp. Uruguayan Imports of Pulp. Import Tariffs on Paper Pulp. Sources of Supply. Requirements of the Argentine Market. Representation Required. Importation of Pulp for Paper Making.

REPORTS FROM ARGENTINA PUBLISHED IN 1916—*Continued.*

Number of Bulletin.	Original Date.	Subjects.
658	July 25, 1916.....	Exports of Canadian Textiles to South America. Imports of Textiles 1911-1915. Imports of Silk Goods. Imports of Woollen Goods. Imports of Cotton Goods. Other Imports of Textile Goods. European shortage of Textiles. United States Competition. Local Factories. Manufacture of Canvas Duck in Argentina. Imports of Cotton Waste. Thread for Shoe and Saddlery Manufacture. Imports of Sewing Thread. Cotton Piece-goods. Canadian opening for Woollen goods. Binder Twine in demand. Conditions of Local Market. How to Pack Goods for Argentina.
663	August 8, 1916.....	Good opening in Argentina. Sources of Supply of Wall-paper. Different qualities of Paper compared. Lengths and Widths. Styles in demand. Terms and Prices. Packing of Wall-paper. Duties on Wall-paper. Argentine Tariff on Wall-paper. Customs of the Trade. Securing an Entry.
669	(page 1222).....	Customs Procedure (Textiles). Duties on Textiles. How to ship Handkerchiefs. Cotton textiles. Woollens. Wool Mixtures. Wool and Cotton linings. Silks. General shipping instructions. Insurance.
670	September 30, 1916.....	The Argentine Apple Trade. Value of Apple Imports. Local Market conditions. Methods employed by Fruit Merchants. Consignment sales. The Import Trade in General. Establishing Business. Elimination of New Zealand Shipments. Varieties of Apples demanded.
670	September 9, 1916.....	Packing and shipping. The Season's Business. Prospects for Canadian Trade.
674	October 30, 1916.....	Presidential Change. Crop Prospects. Tariff Revision.

CORRESPONDENCE.

Correspondence received has fallen off somewhat in volume, but increased in importance, by which is meant that fewer casual enquiries have been received and more communications from manufacturers determined to establish Canadian export trade. The number of letters received was 528 and 1,087 were despatched.

COMMERCIAL INTERVIEWS.

One hundred and ninety-five calls have been made on local people, mostly in the interests of Canadian correspondents, as compared with 92 during the

preceeding year; and 357 callers have been attended to as compared with 124 last year, making a total of 552 interviews as against 212 last year.

VISITORS FROM CANADA.

The number of Canadian commercial men calling at the office has been smaller this year than formerly, some nine or ten factory representatives having visited the city. Everything that could properly be done to help these callers has been done. Amongst the articles carried and sold may be mentioned valves, packings, fruit, furniture, paper, pulp, suspenders, ties, paints and malt.

PASSPORT IDENTIFICATION.

Fourteen Canadians have had need to call at the office for the purposes of verifying their nationality prior to being granted an embarkation permit by British Consular officers. In no case has any difficulty arisen, but Canadian business men would be well advised to see that their identification papers are in order before leaving the Dominion.

DISTRESSED CANADIANS.

Seven visits have been received from Canadians in distress. Some have been helped to find a ship and some have been given slight temporary relief and helped with advice and assistance.

EMIGRATION.

A number of calls have been received from people desirous of emigrating to Canada. These inquirers have been furnished with such advise and information as is available and have also been referred to the officers of the Immigration Department for further particulars. Altogether some 28 people desirous of making their homes in the Dominion have called for information regarding social and economic conditions.

CANADIAN TRADE PUBLICATIONS.

A number of copies of the Canadian Trade Index have been distributed, as also "Canada, the Country of the Twentieth Century." All Canadian trade papers, magazines, and newspapers received have been passed on to selected firms and to club and Chamber of Commerce reading rooms. No Canadian literature has been placed in the waste paper basket, but rather placed where, perhaps, some direct or indirect benefit will sooner or later accrue.

VISITORS TO CANADA.

So far as is known, only four local business men of importance have visited Canada, but during recent months an idea has been put into practice which will tend to increase the number of local business men who will visit the manufacturing centres of the Dominion. The passenger lists of vessels sailing for United States and England are searched for the names of commercial men who might appear to be going north for business purposes. A copy of "Canada, the Country of the Twentieth Century," and the "Export Directory of Canada" has been handed to each one, and it is hoped that the better insight into the resources of the Dominion which a perusal of the former publication will afford, will induce some of them to visit the Dominion, or perhaps consider placing some of their business there. It is surprising how little is known in Buenos

Aires of industrial Canada: Many British importing firms who have been trading with the United States for many years still think of Canada as being exclusively an agricultural country. There have been cases where an inquiry for railway material has been despatched to Canada by local importers, who, previous to being informed of the fact, were unaware that Canada possessed any iron and steel works. Your commissioner is frequently asked if the Dominion has any coal, iron, or other minerals, or if chemicals can be obtained from there.

SECURING AGENTS FOR MANUFACTURERS.

Your commissioner's services have been solicited frequently during the year for the purpose of recommending reliable local agents. In this way valuable assistance has been rendered to manufacturers who have been unable to visit the Republic personally. Amongst the firms for whom local representatives have been found are manufacturers of threshing machines, corsets, canned fruit, wall-paper, furniture, wire-gauze, shoe-shanks, valves, paper, fruit, drugs, chemicals, gas engines, and malt.

DIRECTORY OF IMPORTERS.

The office Card Index Directory has been enlarged by the addition of certain names secured by means of a canvass undertaken by the British Chamber of Commerce in Buenos Aires. Radical changes have taken place in importing circles during the past two years, and the Index requires constant revising, but it is hoped that a typewritten copy will be ready for despatch for publication during the first half of the coming year.

LUMBER.

The trade in lumber has fallen off very considerably, and this question formed the subject of a report recently despatched for publication in the *Weekly Bulletin*. Prospects for a revival during 1917 are not too bright.

PUBLICITY.

Propaganda has been made during the year on a smaller scale than formerly. It has been found that, owing to the placing of large war contracts in Canada, many Canadian manufacturers formerly interested in export trade are to-day quite indifferent to the subject. The *Buenos Aires Herald*, *The Standard* and *Review of the River Plate* have always found space, on request, for items of interest relating to Canada.

TRADE INQUIRIES.

Twenty-six ordinary and several special trade inquiries have been despatched for publication, and in many instances inquiries have been placed in touch with the manufacturers direct.

TARIFF CHANGES.

But little attention has been paid to customs decisions and tariff revisions during the year, because in the case of Argentina such information is of little if any practical value to our exporters. Exporters will be asked for f.o.b. and sometimes c.i.f. prices, but never for prices delivered into store.

The commodities most frequently imported have a fixed tariff value for the purposes of calculating duties, and in those cases where a commodity does not appear in the tariff, a declaration is made by the customs house broker of the importer. Original invoices are rarely taken into account, but occasionally an importer will make some stipulation regarding the mode of invoicing,

packing, and marking goods. When such instructions are received, they should be carried out very carefully. Nearly all commodities of general utility pay a duty equal to 25 per cent of their official value; certain luxuries pay 40 and 50 per cent; and certain articles which compete with local industries pay 45 and 50 per cent; raw and semi-raw materials for industries come in either free or paying 5 per cent. No particular country has any privilege under the Argentine tariff, which is equal for all. In general, it may be said that if the exporter will get his goods on board ship in good shape, the importer will look after the rest.

TRAVELLING REPRESENTATIVES.

It had been expected that more factory representatives would have visited the Republic than has been the case. A trade official may find a suitable agent for the manufacturer, but he can properly go no further. A representative of the manufacturer, on the other hand, can bring more knowledge to bear on the question of the suitability or otherwise of the agent, and can stand by him during the first weeks, help him over the initial stages, and help to form the foundation of a permanent business. One firm of manufacturers has an employee stationed here for the purpose of co-operating with their selling agents.

RESUME.

Fairly important business has been done during 1916 in news-paper, pulp, fruit, paint, agricultural implements, lumber, and wall-paper. Several articles of Canadian manufacture have been introduced into Argentina for the first time during 1916, and there are many other articles which are only just now beginning to find a market. Until statistics become available, only a rough estimate of the trade of the past year can be made. Probably the imports of made-in-Canada goods (lumber excluded) will be found to be double those of 1915 and higher than those of any preceding year, and this in the face of a decreasing local consumption of nearly every commodity.

AUSTRALIA.

REPORT OF TRADE COMMISSIONER.

(*Mr. D. H. Ross.*)

MELBOURNE, December 20, 1916.

SPECIAL REPORTS TO CANADIAN MANUFACTURERS.

As in previous years, a large number of trade inquiries were received in 1916 from Canadian manufacturers and exporters in respect to exploiting the Australian market with special lines of goods and products.

In some instances, special investigation was made in Melbourne, Sydney and Adelaide to ascertain the varying market conditions, after which the facts were submitted to enable the inquirers to make their own deductions.

When an opportunity appeared favourable for development, some reports were forwarded to manufacturers of special lines in Canada in regard to trade openings offering.

The direct reports to manufacturers covered such widely diversified trading lines as follows:—

Agricultural implements, aluminium, antimony, apples, axes.

Bar iron, batteries, beans and peas, bedsteads, beeswax, berry pails, biscuits, bronze powder, broom handles, brushes, buggy wheels, butter boats.

Cables, canned fruits and vegetables, carbide of calcium, carbons and ribbons, cattle guards, caustic soda, ceilings, cement (Portland), chairs, confectionery, copper, cotton goods, cycas leaves.

Dredges, dried fruits, dry colours, dry goods (blankets, children's clothing, corsets, cottons, knitted goods, overalls, suspenders, underwear), drugs.

Electrical goods, electric cranes, fixtures and signs, enamelware, engines (gasolene, logging and oil).

Fancy goods, fish (cod, herrings, salmon and sardines), flags, flour-mill machinery, fruit-drying machinery, furs, fur skins.

Games, gaskets, grain bags, grain elevators.

Hair cloth, hammocks, hardware, hides and skins, hops.

Iron and steel products.

Jewellery.

Ladders, lamps and lanterns, lathes, lawn mowers, leather.

Macaroni, match splints, meats, metals, motor cars.

Office furniture, oils (castor, eucalyptus, linseed and spraying), onions, optical goods.

Packings, paper (adding machine rolls, ferro-prussiate, parchment, postage stamp, printing, toilet and wall), piping, plaster, potatoes, pulleys, pumps, pumping machinery.

Railway torpedoes, razors (safety, strops), ready made houses, refrigerators, rolling steel doors, rubber goods.

Safes, salt, sausage casings, screws and nuts, seeds, separators, serums, sewing machines, sheep shearing machines, silos, silver-plate, skewers, soap, spring steel, stoves, sulphuric acid, superphosphates.

Tallow, timber, tires.

Valves.

Washboards, well boring machines, welding appliances, wire (copper, black and galvanized iron), woodenware, wood preservative, wood-pulp, wool, wool machinery, wool presses, worsted yarn.

Zinc.

DEPARTMENTAL REPORTS ON AUSTRALIAN TRADE.

Among the subjects of special reports forwarded in 1916 to the Department of Trade and Commerce for publication in the *Weekly Bulletin*, attention may again be drawn to the detailed particulars supplied in No. 634 on Canadian woollen mills purchasing Australian wool; No. 636 on the interchange of Canadian and Australian primary products; No. 639 (illustrated) on the Australian lawn mower trade; Nos. 646 and 663 on the combined railway and steamer bill of lading and No. 674 on marketing rubber goods in Australia.

SUPPLIES REQUIRED BY AUSTRALIAN RAILWAYS, ETC.

As in previous years, the tender forms issued by the various government departments and public bodies in Australia such as:—

1. The Commonwealth Navy,
2. The Commonwealth transcontinental railway,
3. The Commonwealth telegraph and telephone services,
4. The various State-owned railway systems,
5. The government shipbuilding yards,
6. Public works equipment,
7. Municipal supplies (electric light equipment, etc.),
8. Requirements of public bodies (tramways, etc.),

have been forwarded, immediately after their receipt, to the Department of Trade and Commerce, Ottawa, for the information of Canadian manufacturers, to whom special attention was drawn through the medium of publicity in the

Weekly Bulletin, and, in some instances, by special letters. The most extensive requirements are those of the railways, which have some 20,062 miles open for traffic after an expenditure on construction and equipment of £193,227,000.

As emphasized in a previous report, many of the tenders are returnable at such a short period after issue that Canadian manufacturers, without representation in Australia, are precluded from submitting their quotations within the specified time.

Owing to manufacturers in the Dominion being engaged upon work of vital importance to the Empire, a number of advices were received by this office expressing regret at the inability to submit prices on materials and plant which would be especially attractive to them under normal trading conditions.

It is encouraging to Canadian manufacturers that, despite increased cost of materials and competition from other countries, some important industries in the Dominion, in 1916, secured contracts of considerable magnitude for equipment required in Australia.

AUSTRALIAN GOVERNMENT'S PREFERENCE TO EMPIRE GOODS.

In *Weekly Bulletin*, No. 640, particulars were furnished respecting the practical preference given by the Commonwealth and State Governments' purchasing departments to obtain, as far as possible, their extensive overseas requirements within the Empire.

The preference (to the knowledge of this office) has, in 1916, been extended to some Canadian tenders for the construction of special machinery by one of the most important Australian purchasing departments. Inquiries made in some other departments indicate that the preference receives due consideration hence the assumption that, generally, the principle is being upheld in all the states.

With the exception of New South Wales, where the Empire preference is clearly defined at 10 per cent, there is no special ruling as to the amount—each quotation or tender being considered on its own merits—yet, in actual practice, a preference of at least 10 per cent can be anticipated over the prices submitted by manufacturers in foreign countries.

AUSTRALIAN IMPORTERS PREFERENCE FOR EMPIRE GOODS.

One of the most striking features experienced in the leading Australian importing centres in 1916 has been the generally expressed desire of large buyers of overseas goods to secure their requirements from Empire sources of supply rather than placing their orders in neutral countries.

Owing to the demand for war material in Great Britain, and the uncertainty of shipment as well as the continued advance in prices, the difficulty of obtaining usual supplies from that source is becoming more and more accentuated.

While many important Canadian industries are engaged upon similar national work in the present crisis, and for that reason have been unable to quote for business offering from Australia, it is encouraging to observe, from the considerable number of inquiries received in recent months, that Canadian manufacturers are desirous of ascertaining an outline of the normal trading requirements with a view of expanding their output after peace has been declared.

AUSTRALIAN POLITICIANS AND BUSINESS MEN VISIT CANADA.

Early in 1916 the Prime Minister (the Right Hon. W. M. Hughes) of the Commonwealth and some members of the parliamentary party visited Canada en route to London. In later months, the members of the Australian parliamentary party, who had proceeded to London via Suez, returned to the Commonwealth by the Canadian route. Some leading officials of the Australian railway systems also visited the principal manufacturing centres in the Dominion in view of present and future supplies.

Quite a number of the Australian business men who visited Canada in 1916 were supplied with brief itineraries, letters of introduction and suggestions to facilitate their interests and inquiries.

Buyers, proceeding to North America, for dry goods warehouses, paints and oils, hardware, furred skins and fur apparel, and goods of varied character were accorded every attention.

Some Australian manufacturers visiting Canada to investigate sources from which to obtain raw materials, and to secure first-hand industrial information, were given every possible consideration.

These visits give Commonwealth politicians and commercial men an opportunity of becoming acquainted with Canadian public and business men and at least some knowledge of the varied products of the country. The result achieved is the undoubted growth of a community of interests in Canadian and Australian products and affairs.

The Prime Minister, members of the Federal parliamentary party, and Australian business men who have been in Canada in 1916, on their return to the Commonwealth, expressed gratification at the cordiality of the reception extended to them throughout the Dominion from the Pacific to the Atlantic.

CANADIAN COMMERCIAL TRAVELLERS IN AUSTRALIA.

In 1916 the number of direct travellers for Canadian manufacturers who—in the interests of their principals—visited Australia and interviewed importers and buyers, has been above the average. Travellers representing seasonable or special lines of goods, on the completion of their itinerary, returned to the Dominion, in some instances to prepare for a much more aggressive business campaign in Australia in 1917. A number of travellers remain in the Commonwealth and are maintaining a regular itinerary throughout the territory. In the annual Review for 1915, full particulars as to the cost of travelling in Australia, and the benefits to be derived by direct representation, were published. The information is of such importance that it is reproduced as follows:

Correspondence received from Canada discloses the fact that a number of manufacturers have no conception of the vastness of the Australian territory, nor an adequate idea of the time and expenses involved by commercial travellers interviewing buyers at the principal importing centres. Briefly, it may be stated that, while the entire coast line of the Commonwealth is 12,210 miles, the distances between the leading important cities is much less. The coast line from Brisbane to Perth involves (with return journeys) some 6,868 miles of travelling. For general information a table of distances and the cost of fares has been compiled and is submitted herewith:—

The first-class passenger rates now ruling are—

Miles.	Route direction.	Fares.
		\$ cts.
7,631	Steamer Vancouver to Sydney.....	225 00
15,262	Steamer Vancouver to Sydney and return.....	337 50
725	Railway Sydney to Brisbane.....	17 76
1,450	Railway Sydney to Brisbane and return.....	35 53
499	Steamer Sydney to Brisbane.....	16 42
998	Steamer Sydney to Brisbane and return.....	26 15
2,461	Steamer Sydney to Perth, W. A. (via ports).....	53 53
4,922	Steamer Sydney to Perth and return.....	80 30
583	Railway Sydney to Melbourne.....	17 76
1,166	Railway Sydney to Melbourne and return.....	35 52
1,066	Railway Sydney to Adelaide.....	27 86
2,132	Railway Sydney to Adelaide and return.....	55 72
1,403	Steamer Adelaide to Perth, W.A.....	32 85
2,806	Steamer Adelaide to Perth and return.....	49 88
474	Steamer Melbourne to Hobart.....	14 60
948	Steamer Melbourne to Hobart and return.....	24 33
1,098	Steamer Melbourne (via Hobart) to Sydney.....	29 20

The direct representative of Canadian manufacturers leaving Vancouver could break his journey at Auckland, N.Z., if desired, or otherwise he would leave the steamer at the terminal port of Sydney, N.S.W.

To economically work the territory, he would subsequently proceed to Brisbane (Queensland), thence returning to Sydney, from which point he could leave by steamer for Melbourne, Adelaide and Perth (i.e., the port of Fremantle), W.A., and on his return journey could leave Melbourne for Hobart and Launceston (Tasmania).

If only the principal trading centres were visited (in sequence), Sydney, Brisbane, Melbourne and Adelaide, eliminating Western Australia and Tasmania, it would save considerable expenditure and time. The Canadian Pacific Railway can issue return tickets to any Australian city, from any of their principal offices, which would likely effect a reduction in the rates quoted herein.

Hire of sample rooms, depending upon the space required, varies in the leading cities, but an average of from \$10 to \$12.50 per week should cover this expense.

The hotel charges are not higher than the charges for similar accommodation in Canada.

Canadian firms, or a group of manufacturers, can, with the foregoing information, estimate with approximate accuracy, the cost likely to be involved in sending a travelling representative to Australia.

IMPORTANCE OF DIRECT REPRESENTATION.

As strongly urged in special reports which have appeared in the Weekly Bulletin from time to time, if Canadian manufacturers and exporters expect to establish their lines successfully and permanently on the Australian market they must send capable travelling representatives throughout the principal importing centres in the Commonwealth. The same, and even more particular, attention must be devoted to the oversea trade as is cheerfully devoted to domestic business. Admitting that the expense of sending a direct traveller from one factory precludes many manufacturing companies from reaching out for Australian trade, yet a combination of three or four manufacturers of non-competitive or conflicting lines could share the expense of engaging a capable representative and keep him constantly in this territory (and his itinerary could include New Zealand). As matter of fact there are several Canadian travellers now in Australia successfully following the procedure outlined.

APPOINTMENT OF AUSTRALIAN AGENTS.

When it is inexpedient for a Canadian firm to send out a travelling representative to Australia, an effort should be made to secure the services of a capable and reliable agent holding, if possible, practical experience of the line to be exploited and of the trade to be approached. In negotiating for such service at this great distance, much invaluable time would be saved if the firm interested would submit a straight out proposition—that with a salary or office allowance and a commission being generally more acceptable than upon a more liberal commission basis only. To secure the assistance of a good salesman, with the necessary knowledge of oversea finance and shipping, it means remuneration equal at least to that paid in Canada for similar qualifications.

MANUFACTURERS' AGENTS IN AUSTRALIA.

Throughout 1916 many applications have been made, in person and by letter, by manufacturers' agents, in the various importing centres in the Commonwealth, for particulars as to the sources of supplies in Canada of goods and products which—under an arrangement with the manufacturers—they desired to exploit.

Some prominent agents have proceeded to Canada to visit their principals and to arrange for the representation of new lines.

To inquiries received from capable and energetic agents, the practical co-operation of the trade commissioner has been cheerfully extended and, in this connection, it may be stated that, as a result, initial trade has been secured for industries in the Dominion which had not hitherto made shipment to Australia.

Advices have also been received of the early arrival of several sets of new lines of samples of "made in Canada" goods.

VISITS TO AUSTRALIAN IMPORTING CENTRES.

In connection with his official duties, the trade commissioner in Australia visited Sydney (several times) and Adelaide in 1916. In those importing centres—as well as in Melbourne—leading buyers of general merchandise and goods of varied character were interviewed for the purpose of personally directing attention to the material advances being made by Canadian manufacturers.

Opportunity was thus taken of obtaining, at first hand, reliable information as to the requirements of the different markets, and the data so collated proved invaluable in answering explicitly inquiries received from Canada in respect to a number of lines of goods and products for which an outlet overseas was desired.

It may not be presumptuous to add that in each and every instance Canada's commercial envoy received at this juncture—when Canadian and Australian soldiers are fighting side by side in Flanders—a particularly cordial reception.

APPOINTMENT OF A COMMERCIAL AGENT IN NEW SOUTH WALES.

Recognizing that it was impracticable for the trade commissioner to be too frequently away from his office at Melbourne, and also the importance of Sydney N.S.W., as the chief Australian importing centre, the Department of Trade and Commerce on August 1st, 1916, appointed a commercial agent in that city in the person of Mr. B. Millin, Secretary of the Royal Exchange, who has been closely identified with the commercial life of New South Wales for over 25 years.

Since taking up his duties as Canadian commercial agent in New South Wales, this office has been indebted to Mr. Millin for his untiring energy and assistance in collating data of likely interest to Canadian trade.

Particulars as to New South Wales tenders and inquiries made by importers in that State have been greatly facilitated by the active and practical co-operation of the commercial agent at Sydney.

CANADIAN TRADE AND OTHER JOURNALS.

As in previous years, this office continued to be indebted to the publishers of the majority of the trade and financial journals in Canada for their consideration in forwarding their invaluable journals, gratuitously, in the interests of their advertisers and, incidentally, for the promotion of Canadian export trade. Full and accurate information detailed and up to date, bearing upon the natural resources of the Dominion, and the distinct advances made in manufacturing from year to year, is available to distant trade commissioners through the medium of the excellent and reliable Canadian trade and financial journals.

Through the medium of this commercial literature, connections have been established between Canadian manufacturers and Australian importers, and files of these publications are frequently asked for and loaned to the buyers of large importing houses.

CANADIAN TRADE CATALOGUES.

It is not surprising that in 1916, with fluctuating costs of raw materials, combined with the advent of an increasing number of munitions industries in the Dominion, the Canadian trade catalogues received in Melbourne have shown marked contraction in comparison with their receipt in previous years.

Probably one factor towards that result has been the abnormal cost of preparation and printing, and yet another likely phase of the situation is that trade activity has, for the time being, obviated the necessity of issuing catalogues.

To interest buyers, trade catalogues sent abroad must be accompanied by price lists and discount sheets upon the basis of f.o.b. steamer at port of shipment. Quotations on any other basis will not be effective in securing business, for the reason that oversea importers have no means of ascertaining the cost of transportation to the seaboard, and hence are unable to approximate their landed costs.

CORRESPONDENCE AND INTERVIEWS.

On reference to the Melbourne office records, the following schedule has been prepared to indicate the number of letters received and despatched and the number of interviews in recent years:—

	Letters Received.	Letters Despatched.	Interviews.
1910.....	1,839	2,223	2,162
1911.....	1,850	2,465	2,040
1912.....	2,301	2,687	2,314
1913.....	2,149	2,838	2,520
1914.....	2,645	3,390	2,883
1915.....	2,737	3,256	2,629
1916 (11½ months).....	2,704	3,181	2,915

In addition to the letters despatched were a large number of circular letters and a quantity of literature bearing upon some special lines of Canadian primary production.

THE TRADE OF AUSTRALIA.

In previous issues of the Annual Review of the Commercial Intelligence Service of the Department of Trade and Commerce, Canada, stress was laid upon the vast area of the Commonwealth, its varied climatic conditions, and its huge oversea trade.

The review of Australian trade for the fiscal year of 1914-15 (the latest published returns), which appeared in Weekly Bulletin No. 652, was supplemented by comment upon the principal lines of goods and products of likely interest to Canadian manufacturers and exporters.

The preliminary returns of the oversea trade of the Commonwealth in 1915-16 were dwelt upon in Weekly Bulletin No. 662, but, until such time as the printed schedules are published, showing in detail the importations from all countries, no comparative analysis of the trade figures can be proceeded with.

The Commonwealth trade returns for 1915-16 are now in process of compilation, but, through the courtesy of the Commonwealth Statistician, the

unrevised figures relating to Canadian trade with Australia during the last fiscal year, have been made available for this issue.

EXTENT OF AUSTRALIAN TRADE.

In Weekly Bulletins Nos. 652 and 662 the oversea trade of the Commonwealth in the last two fiscal years was reviewed. It may be stated, briefly, that in 1915-16 the total imports were valued at £77,370,687, and the exports at £74,976,117, making a total trade of Australia £152,346,804 (or, \$740,405,467).

Imports exceeded those of 1914-15 by £12,938,850, and exports exceeded those of the previous year by £14,383,541. In view of the embargo on the export of wool, meats, hides, and other products to neutral countries, and the totally inadequate shipping facilities to convey the exportable surplus of wheat, wool, etc., to Great Britain, the total trade reached remarkable figures.

Obviously, the enhanced prices obtained for primary products had a distinct bearing upon the values of both imports and exports.

CANADIAN TRADE WITH AUSTRALIA.

For the second year on record, the Australian importations from Canada in 1915-16 exceeded £1,000,000, the actual figures being £1,527,023, or (at \$4.86 to the £) \$7,421,331, thus exceeding the trade of the previous year by \$1,417,035.

While eliminating the trade diverted from Canada through munition orders during the first half of the year, and the output of manufacturers, considerable curtailment in the figures was also caused by the abnormal freight rates ruling on low-priced and bulky commodities which entirely precluded exportation to this great distance from the Dominion.

In a number of lines, exportation from Canada was delayed by the active domestic demand, but their ultimate shipment will be credited in the Commonwealth trade returns of the 1916-17 fiscal year.

The Australian imports from Canada and the exports from Australia to Canada, together with the total trade between the two countries in the last two fiscal years are shown in the appended schedules:—

Australian trade.	Fiscal year to June 30, 1915.
Total imports from Canada.....	£1,235,452 = \$ 6,004,296
Total exports to Canada.....	388,562 = 1,888,411
Total trade 1914-15	£1,624,014 = \$ 7,892,708
	Fiscal year to June 30, 1916
Total imports from Canada.....	£1,527,023 = \$ 7,421,331
Total exports to Canada.....	692,951 = 3,367,741
Total trade 1915-16	£2,219,974 = \$10,789,037

CLASSIFIED SCHEDULE OF IMPORTATIONS FROM CANADA.

The unrevised particulars—appearing in detail elsewhere in this report—relating to Australian importations from Canada in 1915-16 do not permit of a comparison to be made with the published figures of the previous year, but

the trend of the trade in the last two fiscal years can be observed by the classified schedule appended:—

Importations from Canada.	1914-15.	1915-16.
	£	£
Foodstuffs of animal origin.....	90,403	150,800
Foodstuffs of vegetable origin.....	26,066	15,993
Beverages (non-alcoholic), etc.....		2
Spirits and alcoholic liquors.....	4,023	4,822
Tobacco and preparations thereof.....		34
Animals, living.....	160	19
Animal substances (not foodstuffs).....		120
Vegetable substances and fibres.....		1,833
Apparel, textiles, etc.....	43,605	67,725
Oils, fats and waxes.....	5,873	4,564
Lithographic oil and whet stones.....		621
Metals unmanufactured and ores.....	2,413	2,618
Metals partly manufactured.....		12,893
Machines, machinery and manufactures of metal.....	574,934	396,025
India-rubber, leather, etc.....	36,520	67,414
Wood and wicker.....	29,424	7,752
Earthenware, cements, etc.....		11,240
Paper and stationery.....	148,765	298,020
Jewellery, time-pieces and fancy goods.....	543	2,155
Scientific instruments.....	567	601
Drugs and chemicals.....	32,449	28,526
Miscellaneous.....	239,707	453,246
Total imports of Canadian origin.....	1,235,452	1,527,023

PRINCIPAL ITEMS IMPORTED FROM CANADA.

The following schedule is submitted to illustrate the trend of Australian importations of certain items, of particular interest to Canadian producers, from all countries and Canada's share of the trade:—

Principal Items.

Imports into Australia.	1914-15.	1915-16.	+ Increase. - Decrease.
	£	£	£
Total timber.....	2,153,469	1,736,709	- 416,760
Timber from Canada.....	17,653	4,361	- 13,292
Total fish.....	806,314	915,522	+ 109,208
Fish from Canada.....	85,585	135,185	+ 49,600
Total printing paper.....	886,497	898,431	+ 11,934
Printing paper from Canada.....	122,688	267,834	+ 145,146
Total agricultural implements.....	599,331	525,711	- 73,620
Agricultural implements from Canada.....	261,845	204,139	- 57,706
Total motor cars and bodies.....	1,152,050	1,639,691	+ 487,641
Motor cars and bodies from Canada.....	198,808	372,435	+ 173,627

CLASSIFIED SCHEDULE AUSTRALIAN EXPORTS TO CANADA.

The marked expansion in the value of Australian exports to Canada in 1915-16 is entirely attributable to the item of gold which is given at £459,000. As compared with the previous year, the exports of merchandise—chiefly primary products—decreased by £154,611 which was caused by the embargo upon the shipment of hides, butter and other commodities. The embargo on hides (which was applied in 1916) is still in operation owing to the Australian

demand for military and domestic purposes. The figures for the last two years are as follows:—

Australian exports to Canada.	1914-15.	1915-16.
	£	£
Foodstuffs of animal origin—		
Butter.....	9,458	
Meats.....	12,583	75
Sausage casings.....		2,890
Other.....	317	11
Foodstuffs of vegetable origin.....	57,800	3,985
Spirits and alcoholic liquors.....	106	6
Animals, living.....		58
Animal substances—		
Hides and skins.....	248,015	143,230
Wool, greasy.....	41,461	31,631
Wool, scoured.....	8,602	21,685
Hair, other.....		287
Apparel, textiles, etc.....	692	52
Oils, fats and waxes.....	3,626	2,601
Coal.....	1,145	2
Gold, specie.....		450,000
Metals, unmanufactured and ores.....		24,443
Machines, machinery and manufactures of metal.....	432	125
Leather.....		888
Timber, undressed.....	990	321
All other articles.....	3,335	1,661
Total exports of Australian origin.....	388,562	692,951

TRADING OUTLOOK IN AUSTRALIA IN 1917.

As in other countries, and throughout the Empire, trading conditions in Australia continue to be dominated by the war. The extraordinary season, which gave the largest rainfall for over sixty years, has caused most prolific growth of all the crops and has been of immense benefit to the dairy and pastoral industries. Unfortunately, the continuance of excessive moisture, well on into the usual harvesting time, has resulted in rust and smut affecting considerable areas of wheat, but to what extent the damage will be cannot yet be determined.

The sale of the balance of the Australian wheat crop to the Imperial Government, will, it is estimated, give a return of about £22,000,000. The sale of the exportable surplus of Australian wheat to the Imperial Government, probably establishing a world's record for transactions in any food product, is expected to realize about £27,000,000. An active demand continues for frozen beef, frozen mutton and lamb, canned meats, butter, jams and other primary products. The highly remunerative prices realized for Australian exports will be of undoubted benefit to the producers.

The Imperial Government will find tonnage for the conveyance of wool and wheat—and no doubt for the transportation of other food products—the absence of which facilities, since the war started, have retarded realization on the exportable produce of the country.

While the principal exports for 1916-17 have been sold at satisfactory prices, Australia has to face a more active recruiting campaign, increased war taxation and heavier interest charges, hence importing houses are placing orders oversea with exceptional caution in view of the uncertainties of the future.

Generally, it is anticipated that in 1917 the Australian importing trade will be conducted upon a conservative basis, and particularly so if the present high costs and abnormal freights continue.

AUSTRALIA.

REPORT OF COMMERCIAL AGENT FOR NEW SOUTH WALES.

(*Mr. B. Millin.*)

ESTABLISHMENT OF AGENCY.

SYDNEY, December 30, 1916.

The Commercial Agency for New South Wales having been established for a few months only, a review of the work done in that period must be necessarily brief, more especially as the chief aim has been to give, by correspondence with importing houses, and by means of the press, notification of the establishment of the agency.

Notwithstanding the short period the agency has been established, a fair number of enquiries have been made and the resultant correspondence has been comparatively heavy.

Through the consideration of the Department of Trade and Commerce, Ottawa, and the Trade Commissioner in Melbourne, a fair library is now available at Sydney containing much information of benefit to enquirers generally, but more particularly to importers and exporters.

The year just closed was, from a commercial point of view, the most unique in the history of Australia. In trading circles the usual methods were considerably upset by the price fixing operations of the Government, and, incidentally, distributors have had a very anxious time.

During 1915 reserve stocks had proved ample for local requirements, but during the year just ended holdings in many cases were depleted and orders impossible of fulfilment.

TRADE CONDITIONS.

Fortunately, weather conditions have been good resulting in great benefit to the pastoral and agricultural industries. Although in many districts more rain fell than was required and the damage has been very considerable, it may be safely said that the State of New South Wales is enjoying a magnificent season.

Despite abnormal trading conditions, business is being conducted on sound lines, and with the disposal of the entire wool clip and the realization of the wheat harvest at remunerative prices—under satisfactory arrangements made by the Imperial Government for their transportation oversea—ensures much capital being available for commercial activities.

BRITISH WEST INDIES.

REPORT OF TRADE COMMISSIONER.

(*Mr. E. H. S. Flood.*)

BARBADOS, January 20, 1917.

WEST INDIAN BRANCH OF THE CANADIAN COMMERCIAL INTELLIGENCE SERVICE.

The growing prosperity of the West Indies has had the effect of increasing the work of this branch of the Canadian Commercial Intelligence Service. West Indian firms are finding it to their advantage to make use of the facilities offered by your Commissioner's office in obtaining information in regard to markets in Canada for their imports and exports. Last year your Commissioner was absent three months in Canada. During the nine months in which he was at his post in

Barbados, the record shows 450 personal interviews with firms and commercial men, most of whom were West Indians. In such interviews, care is taken that full information is afforded in regard to Canadian trade, and that catalogues and correspondence are at hand to cover the points of inquiry when necessary. A record of these interviews is kept, but is too voluminous to here set out. They cover, however, in a great measure, all matters of mutual interest to Canada and the West Indies. The office of your Commissioner is conveniently located and easy of access to commercial men resident in Barbados. Canadian visitors to the Island frequently make use of the reading room, and also obtain information concerning the various firms interested in the line of goods they represent. Many Canadian visitors who spend their winter for health or recreation in the West Indies take the opportunity of getting introduced to importing firms that may afterwards be found of advantage.

THE READING ROOM.

The reading room has been well supplied during the year with Canadian and West Indian newspapers, trade journals issued in the interest of Canadian industries, Canadian Blue books, Blue Books and Official Gazettes published by the various colonies of the West Indies, together with Colonial reports and various trade information.

WEEKLY DIARY.

Another interesting part of the daily work of this Branch is the diary, a copy of which is mailed weekly to the Department. This gives full details, with comments when necessary, of the visitors calling at the office, the number of inquiries made in regard to trade, and of letters, pamphlets, circulars, etc., received and despatched. The diary affords to the Department in Ottawa full information of what is being done each day in this Branch, and to the Superintendent an opportunity to offer suggestions when he thinks desirable.

"WEEKLY BULLETIN" REPORTS.

During the nine months in which your Commissioner was on duty in Barbados, twelve reports were prepared, which afterwards appeared in the "Weekly Bulletin". These reports covered a wide range of subjects. Five dealt with the trade of the West Indies, the trade of Barbados, Jamaica, Trinidad, Bermuda, and British Guiana being reviewed. Two were on the molasses and sugar industry—one on the alleged deleterious blending of Barbados molasses, in which was given a description and analysis of fancy, choice, and vacuum pan, and a reference to the legislation which was enacted to control the blending; the other giving an estimate of the coming crop and a review of the agricultural conditions of the past year. The estimate was that the sugar yield would be greater than former years by about 60,000 tons, and that the whole crop would yield probably 300,000 tons. The return later on in the year showed the accuracy of this forecast. Among the reports on industries in Canada that were interested in the West Indian market, were one on fish, one on flour, and two on manufactured goods. A full report with illustrations was prepared on the kinds of stoves required in the West Indies, with details giving the volume of the trade and the prices at which the stoves were sold. There was also a report prepared on pianos, fully illustrating the style and finish of those now imported, together with illustrations of the action and the keyboard, and details of terms and prices at which these pianos were sold. It will no doubt be of interest to set out more fully some of the facts in regard to these reports.

REPORTS WHICH APPEARED IN THE "WEEKLY BULLETIN".

The reports which were supplied from this office and which appeared during the year in the "Weekly Bulletin" of the Department of Trade and Commerce, Ottawa, are given hereunder under their respective dates, with the matters dealt with in each.

Date.	Subject.
January 20, 1916.....	Musical instrument trade in the West Indies. Canadian piano manufacturers interested. The makes represented (with illustrations). Style and finish of pianos. The action and keyboard (with illustrations). Player pianos and grands (with illustrations). Terms and prices. Statistics of import.
February 3, 1916.....	Sugar crop of last year in the West Indies. Climatic conditions during the year. Reports from the Agricultural Societies. Crop conditions in Barbados. Estimated quantity of sugar for export in 1916. Steamship service with the West Indies. Market conditions in Barbados. Trinidad market items. British Guiana trade notes.
March 4, 1916.....	The stove trade. Kind of stove required in the West Indies. The New Rival and the Etna Dover stoves (illustrations). The Searchlight Range and Bonny Bridge Dover (illustrations) The Doctress. Coalpots or Dutch stoves (illustrations). Oil and gas stoves. Electric cookers.
March 21, 1916.....	Imports of fish into the West Indies. Direction of the trade. Fish trade in Barbados. Barbados local fisheries. Varieties of fish caught. Other edible West Indian fish. Jamaica fish trade and that of British Guiana. Less consumption of fish per capita in Trinidad. Market notes and statistics.
May 10, 1916.....	Barbados made a good trade showing last year. Imports. Steady increases in imports from Canada. Principal articles imported from Canada. Decline in imports from the United States in other than co Some items of interest in imports from U.S.A. Less flour imported since the war. The Lumber trade. Features of the Canadian trade. Trade notes and statistics. Increase in value of exports, with countries of consignm ent Sugar and molasses (with statistics). Shipping and the bunker coal trade.
June 20, 1916.....	Trade of Jamaica, 1915. Financial position of the colony. Tariff changes. Imports, with statistics. The flour and fish trade. Wood trade, and condensed milk. Opening for Canadian manufacturers of matches. Notes on the imports from the U.S.A. Exports; and the fruit trade. Sugar and rum. The logwood industry. Principal articles exported.
July 20, 1916.....	A prosperous year in Trinidad. Imports, with statistics of principal articles. Trade with Canada. Trade with Great Britain and the U.S.A. Imports from Canada. Trade items of interest to Canadian firms. Exports, produce of the colony, and statistics. General remarks on the exports.

Date.	Subject.
November 15, 1916.....	Bermuda's financial position. The Expenditures of the colony. Imports, and statistics. Exports. The onion and vegetable trade. Shipping. Total Trade. The census.
November 29, 1916.....	Flour trade of West Indies. Flour import values maintained. Opening for Canadian flour. Bran and pollard.
December 5, 1916.....	Trade of British Guiana during the year. Imports, and principal articles (with statistics). Trade with the United States. Trade with Canada increasing. Statistics of Canadian trade. Canadian opportunities. A record export trade (with statistics).

VISIT TO CANADA.

In the latter part of July your Commissioner returned to Canada for a short visit. After spending a few days with the Department in Ottawa discussing the trade situation, he left Ottawa early in September with general instructions as to his itinerary, and letters of introduction to some of the leading Boards of Trade in the East. Toronto was first visited, and ten days spent in that city interviewing firms producing such lines of manufactured goods as were imported into the West Indies. Several days were afterwards spent in Hamilton, and the same general scheme of interviews was followed. In due course, Montreal, St. John, and Halifax were visited, from which latter city your Commissioner sailed for the West Indies on October 20. This business trip has proved of considerable value to your Commissioner, as it has brought him into personal contact with some of the leading and most enterprising firms in Eastern Canada, and will have its good effect on these firms themselves in directing their attention to West Indian trade.

THE BRITISH WEST INDIES IN 1916.

The year just closed has been prosperous in a material sense throughout all the British West Indies and British Guiana. The colonies are now in a better position than they were before the war began. The value of their principal staples has been steadily advancing in price, and last year reached a record level. Some important changes in general conditions have undoubtedly grown out of the new situation of affairs. The finances of the various Governments have been strained to find sufficient funds to meet the growing expenses in connection with the war, which have been voluntarily undertaken as a patriotic duty. It was found necessary in 1915 to impose export duties on some of the leading staples, and last year these were extended and increased. A stamp duty was also imposed. There were changes made in the rate of import duty in some of the colonies, and other minor imposts levied. During the year the question of an income tax was mooted, and should there be a falling off in revenue, it may be necessary in the near future to introduce this form of tax which is new in these colonies. These various increases in taxation have all

been comparatively light, but have proved sufficient up to the present to provide the adequate margin of revenue needed for ordinary expenditure of Government and the added expenses incident to the war.

A DECLINE IN THE IMPORTS.

The high rate of freight and the difficulties of securing transport have been severely felt in the West Indies, and have had the effect of reducing the quantity of foreign goods imported during the year. This has not however occasioned any perceptible slackening in the general briskness of trade. The falling off in imports was chiefly in luxuries and manufactured goods, and did not affect to the same extent the importation of foodstuffs, with perhaps the exception of flour. The supply of foodstuffs was less, but was more than met by an increased cultivation of ground provisions which the colonies are well able to grow. Supplies of all commodities having fallen to the level of demand, prices have been enhanced, and this has proved a stimulus to general business. The decline in the imports occasioned a less revenue from Customs, but did not apparently affect adversely the general conditions of trade.

A FAVOURABLE TRADE BALANCE.

For the first time in many years the exports have exceeded the imports in probably every one of the Islands. No exact statement as to this can now be given, as the Customs returns for 1916 have not yet been published, though the facts are generally known. In the principal sugar islands, including British Guiana, a favourable trade balance approximating to two and a half million pounds sterling was shown in 1915. The large crop of 1916 and the high price of sugar and other staples would indicate that the trade balance last year in favour of these colonies would not fall far short of three and a half million pounds sterling. In former years the Leeward Islands were just able to pay for their imports, with only a small trade balance, but since the war began this favourable balance has become substantial. Barbados formerly financed its large imports by invisible exports created by the tourist trade, but last year found that its exports had for the first time overtaken the imports. British Guiana also showed a very large trade balance in its favour.

CONFIDENCE IN THE SUGAR INDUSTRY.

The improvement in agricultural conditions is reflected in the steady rise in the price of land, particularly in Barbados, which is an expression of confidence in the stability of the prices of sugar during, and for some considerable time after the termination of, the war.

In British Guiana, the formation of local syndicates to acquire plantations formerly owned by absentee proprietors is also an evidence of increased financial strength locally, and of confidence in the sugar industry.

In Jamaica, the improved outlook for sugar is leading to a strong demand for the erection of central factories, assisted by Government funds, and the Imperial Commissioner of Agriculture for the West Indies, whose headquarters are at Barbados, is about to visit Jamaica to advise on this subject.

The erection of central factories in Antigua, partly assisted by a free grant from the Imperial Treasury, was the work of the Imperial Commissioner referred to; and it has had a powerful influence in enabling the industry in that island to survive until better times for sugar arrived.

CONDITIONS OF AGRICULTURE DURING THE WAR.

In *Barbados* the crops were generally good throughout the year. On account of the high price of sugar, a larger area was planted up in cane, which

in the previous year had been in cotton. The crop of sugar was one of the largest in the history of the island, and was marketed at a high price.

Trinidad had a most satisfactory year. All leading crops yielded above the average and were marketed at most remunerative prices.

Grenada.—The same conditions prevailed in Grenada where the cocoa crop was large. Nutmegs, also an important crop, gave a good return and was marketed at highest prices. The lime industry of the Grenadines has been greatly stimulated by the high price obtained for lime juice.

St. Vincent.—The weather throughout the season was quite favourable for the different crops. An average yield of arrowroot was obtained. Heavy rains reduced somewhat the crop of cotton. Cocoanuts and ground nuts have shown satisfactory increases.

Dominica suffered severely from storms in August, which blew down such quantities of limes that it was found impossible to gather them, and they rotted on the ground. The crop however was so large that even with this loss an average quantity for export was obtained, and brought good prices. Green limes go to the United States chiefly, raw juice to Canada and the United Kingdom, and concentrated juice, citrate of lime, and oil to the United States and United Kingdom.

Montserrat: The crop of cotton during the year was entirely satisfactory, and the island is progressing. Papaws, from which papain is obtained, are being grown in the interest of the drug trade, as is also bay oil. The onion industry is progressing, and last year gave a quantity for export.

Jamaica was visited by a hurricane in the latter part of 1915. This caused a heavy loss in the banana crop of 1916, and greatly reduced shipments. An arrangement with the British Government had been entered into for a shipment of bananas in May, but there were no bananas available when called for. Attention is now turning to sugar, and areas which have been long out of cultivation are being planted up in cane.

Antigua and *St. Kitts* both obtained good harvests last year. The export of sugar from these two colonies was upwards of 30,000 tons, an increase of about 5,000 tons over the average. Gunthorpe's Sugar Factory turned out 12,300 tons of sugar, its largest output. The cultivation of onions is extending, and had a successful year. Sea Island cotton was a short crop. The falling off in yield of cotton has become general, both in the United States and the West Indies. This had the effect of forcing up the price. The value of the crop on this account nearly equalled that of former years when a full crop was obtained.

THE CANADIAN PREFERENCE.

The trend of trade with Canada has been steadily upward, and this has no doubt been brought about to a large extent by the Trade Agreement between Canada and these colonies. This has had the effect, since the war began, of holding up the volume of total trade between these countries. The exports to Canada, however, have been larger than the imports from that country, though the imports have advanced in the face of a declining general import from all other countries. The Comptroller of Customs of Barbados, in his last year's report, remarked that there was a decline in the imports from all countries, except from Canada and the United States. The report on the Customs Department of Trinidad shows that the "effect of the Preference has been to greatly benefit trade with Canada," and shows further that the imports from Canada which in 1911 were only a little over £190,000, in 1915 had reached nearly £420,000, and also that a similar relative advance had not been made by any other country. The Comptroller of Customs of British Guiana, referring to the improved position that Canada held over the previous year, and to the fact that her share of the import trade had been increasing, continues as

follows: "The importation of Canadian flour in 1912 was 29 per cent of the total importation, but had in 1915 increased to 80 per cent." In a special report prepared by your Commissioner last year and published in the "Weekly Bulletin" in December last, it was shown that the total import of flour into the West Indies had very considerably declined since the outbreak of the war, and in spite of this general decline, that the quantity of Canadian flour imported had steadily increased, and that of a total import of 792,353 bags in 1915, the import from Canada amounted to 441,733. This total import included Jamaica, which was not giving a preference to Canadian flour. Omitting the figures for Jamaica, the quantity imported into the other islands would be 437,422 bags from Canada and 129,879 bags from the United States. Jamaica is practically importing no flour from Canada, and ought to be on this account an excellent field for exploitation by Canadian millers.

BAHAMAS.

REPORT OF COMMERCIAL AGENT.

(*Mr. R. H. Curry.*)

GENERAL TRADE CONDITIONS.

In spite of the world-war now being waged, business conditions in this little colony during the year ended December 31, 1916, have been good.

No doubt the financial prosperity enjoyed by the United States of America, with which country most of our business is done, has to a very considerable extent accounted for this, for our principal exports, sponges and Sisal hemp have found a ready market and prices realized have been on the whole very excellent. In addition to this the tourist season 1915-16 was considerably above the average, in fact, was one of the best on record.

The islands again were fortunate enough to escape hurricanes and other serious calamities that have so often in the past retarded their progress, and the field crops owing to favourable seasons were better than usual.

TRADE INQUIRIES.

During the period under review the usual number of trade inquiries were received from all parts of the Dominion, and the information requested was always supplied as promptly as possible.

PERSONAL INVESTIGATION.

The remarks made in my last annual report as to the importance of personal investigation for the purpose of securing business, still holds good, and although, owing to the war, this can hardly be considered a propitious time for the promotion and extension of trade, nevertheless I feel assured if properly solicited, a considerable portion of the trade which is now done with the United States could be secured by Canada.

NASSAU.

Nassau continues to be one of the most popular, if not the most popular, winter resorts in this part of the world and the number of Canadians visiting here increases yearly. My office, which is always at their disposal, is frequently made use of, and from the interviews held by me, I am of the opinion that most of them carry away pleasant recollections, some in fact have become so enthusiastic that they are now annual visitors. In addition to its many other attractions, the fact that it is an English colony appeals to many and as one remarked "It seems nice to see the Old Flag flying above you."

CONTINGENT RAISED IN THE COLONY.

The contingent raised by the Colony has been kept up to its full strength of 200 men and the contributions made by the general public to the Red Cross and other similar funds amounts, up to the present time, to something in the neighbourhood of \$200,000.

TRADE STATISTICS.

Unfortunately the only reliable statistics available are for the year 1915, and these show that while there was a slight decrease in the imports, the value of the exports showed an increase of nearly \$100,000 over those of the previous year.

The imports for the year ended December 31, 1915, amounted to \$1,772,716 as compared with \$1,792,772 in 1914, while the exports amounted to \$1,187,465 and \$1,090,198 respectively, during the same periods.

The revenue was \$420,733, as compared with \$375,172 in the previous year. This increase was principally in customs revenue and was due to improved conditions of trade generally and also to the imposition of a surtax of 10 per cent on import duties.

The expenditure was \$439,020, as against \$498,550, in 1914 (which included \$50,000 war grant to the mother country).

The Public Debt of the Colony (other than the debt incurred under the Loan Act of 1915) bearing interest at 4 and $4\frac{1}{2}\%$, was originally \$551,830, and now stands at \$163,500. It is estimated that this debt should be entirely liquidated in 1926.

The Loan Act of 1915, referred to above, empowered the Government of the Bahamas to raise a loan not exceeding \$146,340, repayable in 20 years at interest not exceeding 5%. Debentures at 5% have been issued to the Nassau branch of the Royal Bank of Canada and to the Bank of Nassau in connection with this loan.

COMMERCIAL OUTLOOK.

At the present time the commercial outlook cannot be considered otherwise than good. The recent catch of sponges was very fair and the prices to day of both sponges and sisal hemp are high, the latter bringing in this market about $10\frac{1}{2}$ cents per pound which is more than double the usual price obtained. This is unquestionably caused by the disturbed state of affairs in Mexico.

The prospects for the tourist season are better than they have ever been before, so much so, that the Florida East Coast Hotel Company have found it necessary to open another hotel (Royal Victoria).

IMPORTS.

Live Animals, Food, Drink and Narcotics.....	\$ 833,623
Raw Materials.....	61,443
Manufactured Materials—	
Textiles.....	366,316
Metal.....	195,915
Other Goods.....	265,419
	<hr/>
	\$ 1,772,716
	<hr/>

Country from Whence Imported.

United States of America.....	\$ 1,380,331
United Kingdom.....	285,755
Canada.....	18,117
British West Indies.....	66,764
Foreign Countries other than U.S.A.....	21,749
	<hr/>
	\$ 1,772,716
	<hr/>

EXPORTS.

Live Animals, Food, Drink and Narcotics.....	\$ 56,492
Raw Materials.....	1,102,345
Manufactured Materials.....	28,628
	<hr/>
	\$ 1,187,465
	<hr/>

Countries to Which Exported.

United States of America.....	\$ 707,670
United Kingdom.....	264,262
Canada.....	10,876
British West Indies.....	2,361
Foreign Countries other than the U.S.A.....	202,296
	<hr/>
	\$ 1,187,465
	<hr/>

ARTICLES FROM CANADA.

The following are the principal articles imported into the Bahamas from Canada during the calendar year ended December 31, 1915:—

Butter.....	\$ 2,780
Flour.....	1,439
Hay, oats, etc.....	683
Whisky.....	1,235
Wine.....	170
Earthenware, glassware, etc.....	244

EXPORTS TO CANADA

The following are the principal articles exported to Canada from the Bahamas during the calendar year ended December 31, 1915:—

Hides, skins, etc.....	\$ 1,185
Sponges.....	9,000

TEMPERATURE AND RAINFALL.

(Year ended December 31, 1916.)

	Max.	Min.	Average.	Rainfall.
January.....	77	66.5	71.5	.43
February.....	78	57.5	75.4	3.47
March.....	81	60	69.3	.04
April.....	82	64	71.5	.24
May.....	86	68.5	76.2	9.30
June.....	87	71.5	78.3	5.27
July.....	87	72	80	4.75
August.....	89	72	80.5	4.43
September.....	87	72.5	79	4.26
October.....	86	71.5	78	7.87
November.....	83	63.5	76	5.88
December.....	78	57.5	69	.18
Mean Temperature.....	83.5	66.4	Total...	40.12

Maximum Temperature on record 0.93, August 21, 1908.

Minimum Temperature on record 51.5, January 27, 1905.

TRINIDAD.

REPORT OF COMMERCIAL AGENT.

(*Mr. Edgar Tripp.*)

PORT-OF-SPAIN, January 18, 1917.

GENERAL CONDITIONS.

The close of 1916 found Trinidad still prosperous, notwithstanding, or perhaps to a certain extent, because of the war. Except in the case of cacao the value of which fell somewhat nearer to its normal, the main staples of export maintained throughout the year the high level of price enjoyed during 1915. Amidst the general public, however, there were not the same indications of a more plentiful supply of money than usual as were observable in the previous year. This was no doubt attributable to the counter action of the greatly increased cost of living which is felt more or less severely in the purchase of actual necessities. Still the colony has very much to be thankful for in that the actual horrors of war which might so easily have been brought home to her have, thanks to our ever watchful navy, not been suffered.

In addition to the original public grant, the Island has, during the year under review, given very liberally by voluntary contribution to the various funds in connection with the war, but it is realized that more should be done by a community that has so much to be thankful for, and a bill will shortly be introduced into the Legislature to provide for the payment of an annual amount towards Imperial Expenditure which will more truly represent the wealth of the country and the patriotism of its people.

Recruiting, so that the British West India Regiment may be maintained at its full strength, is still proceeding, and large numbers of the best youth of the colony have found their own way to the Old Country and joined the forces of the Crown.

WORK OF THE OFFICE.

No special features in connection with the work of this agency have developed. The usual correspondence has been carried on, although the actual number of letters received and despatched out of the colony has decreased. Still, a fair number of enquiries have been responded to with the satisfactory result in some cases of the introduction of new business relations.

THE PERSONAL ELEMENT.

A larger number of trade papers, circulars, and catalogues reach me than formerly, and are disposed of to best advantage, but the absence of the personal element in the way of efficient commercial travellers is still felt, and our friends from the United States profit accordingly. From what I can gather, however, the present absence of "push" in Canadian trade is not due to indifference regarding it but rather to the fact that your manufacturers find so good, or perhaps better markets elsewhere that the West Indies for the time being are neglected. This applies mainly to manufactured goods other than foodstuffs, but even with the latter considerable delay often occurs in the execution of orders which results in certain cases in these going to America for the same articles, notwithstanding the difference in tariff.

STEAMSHIP SERVICE.

The fault in this case is often not so much that of the supplier as of the difficulty in securing freight room in the overcrowded holds of the royal mail steamers from St. John and Halifax which provide practically the only regular means of supply between the Dominion and the British West Indies. Considerable quantities of goods are occasionally shut out, leading some times, in these days of fluctuating values, to loss on the part of purchaser which he is perhaps more apt to remember and resent than when corresponding gain arises from the same cause. But again we should be thankful that things are not worse. What the plight of some of the smaller islands would have been without the regular fortnightly visit of the steamers whose services were secured by the Canadian subsidy it is hard to imagine. So far as flour is concerned some of them are living from hand to mouth and practically depend upon their arrival for the "staff of life." With goods such as hardware, the cause of delay has been that of demand having exceeded supply. One leading firm here told me that they gave a large order to a Canadian traveller nine months ago, and had heard nothing of it since. All this tells in favour of the United States. The ordinary export trade there seems to have been only slightly, if at all, disorganized, whilst the stocks kept at the ports of shipment ensure ready despatch. Steamers of the "Trinidad Line" leave New York every ten days, and arrive here on time eight days after. Merchants can rely on receiving goods ordered

a few days before, by telegram or otherwise, being sent by the first outgoing boat of this line. The Trinidad Line steamers, with the aid of an occasional extra boat appear to be able to handle all the traffic from America. They come direct, only touching at Grenada for a few hours, but do not call at any of the other islands, hence the dependence of the latter upon the Canadian steamers. So far as foodstuffs are concerned Trinidad's supply has been regular and adequate since the commencement of the war, with the exception of about a fortnight when from unavoidable causes there was a temporary scarcity and high prices in the flour market.

DRUGS.

Of all articles from Canada which have sprung proportionately into favour, drugs take a prominent place. The increase in imports of drugs and druggist sundries, chemicals, pharmaceuticals and patent proprietary medicines is greater than ever, and estimated at 50 per cent more than previous to the outbreak of war. The Dominion has been able to supply a large quantity of drysalteries, formerly obtained from Europe. Essential oils and flavouring extracts are also received in largely increased quantity. Nothing but more rapid shipping facility is asked for in the trade, but meanwhile it is free to own that so far as drugs and chemicals are concerned, Canada has saved the situation.

OTHER IMPORTS FROM CANADA.

In dry goods, such as textiles, etc., I am sorry not to be able to report improvement in any way corresponding to the strides made by the United States. The official figures are not yet published, but information from the principal houses in the trade confirms this view. Canadian cordage is again finding its way here and paints are fully holding their own, whilst trade has improved in enameled ware, bedsteads, wire nails and travelling trunks. Corn brooms still sell well, and picture mouldings of nice finish have proved good value, and suit the local taste. Cane seat chairs continue to give satisfaction, and an item recently introduced will probably meet an extensive sale. It is a bentwood chair, after the pattern of the famous Austrian chairs of which such huge quantities were disposed of all over the world. The price is higher than the Austrian article used to be, and the finish is not quite so good, but it is probably stronger. One defect, however, was pointed out to me. What is known as "the machine case," through some defect, comes out of the seat after being in use but a short time. This should be remedied. The leather boot trade with Canada is again practically dead, but recent importations of canvas foot wear with rubber heels and soles have taken well. Canadian shovels and hoes, in which the trade is large, have lately been introduced with some success, and the same may be said of locks and wire netting.

CANNED FRUITS.

I hear nothing but good reports of Canadian canned fruits, preserves and jams, in which the trade is good and improving.

CONDENSED MILK.

But probably the article in which the most satisfactory progress may be noted is condensed milk about which so much was written and urged for years without result. The proprietors of the Reindeer brand, at Truro, are to be congratulated on having accomplished this. Their milk has evidently come to stay, and it is pleasant to record that no less than 10,700 cases of it were sold

here during 1916. The secret of this success is that the requirements of the market as to quality, packing, etc., have been met, and every shipment comes fresh and good. Each shipment, I understand is specially made during the week of the sailing of the steamer, so that no stale lots arrive, a precaution more necessary in goods intended for disposal in the Tropics than elsewhere.

GLASSWARE, PAPER AND MACHINERY.

As pointed out during the year, there are many articles hitherto imported from Europe which there has been some difficulty in obtaining. Among these may be mentioned glassware of all descriptions and wrapping and newspaper paper. In both these items the opportunity now occurs to establish good and permanent business relations. The opening now offered for machinery should also not be neglected. There are many descriptions required and the difficulty of getting orders executed in the United Kingdom within a reasonable time becomes more pronounced every day.

LUMBER.

Lumber has been in very active demand throughout the year, and a full share of this trade has gone to Canada. One noticeable feature in connection with it, is the introduction of a fair quantity of hemlock, a quality which previously was not saleable here. The demand for white pine has automatically improved with the material rise in cost of pitch pine from the States. A peculiar circumstance in this trade is that while the colony imports such large quantities of inferior pitch pine, it regularly exports a wood of infinitely better class, and one that is practically everlasting, viz., cedar. This fact would not be so strange if the export value of cedar in comparison with the landed value of pitch pine were prohibitive. It is not so. There is only a difference of from \$10 to \$15 per thousand feet, and this in no way represents the superiority of the former over the latter.

ROYAL BANK OF CANADA.

In August last the Royal Bank of Canada, whose branches at Port of Spain and Sanfernando are in successful operation, announced the opening of a new branch at Caracas, the capital of Venezuela. This is now supplemented by the statement they will also have a branch at Bolivar on the Orinoco. In view of the extensive trans-shipment and other business between Trinidad and the Republic these new branches will afford facilities which will be very helpful to trade, and it is trusted that this enterprising and popular bank will find the ventures as successful as they deserve to be.

EXPORTS.

1916 has proved a remunerative year for planters and exporters. The sugar crop was the largest known for many years, and the cacao crop was fully up to average, whilst prices of both left excellent profit. Coconuts also, of which the shipments constituted the record number of nearly 18,000,000, gave returns to the fortunate owners of plantations which were undreamt of not so very long ago. The United States are the best customers for this fruit. Some consternation was caused for a time by an order from the Home authorities prohibiting the export to any foreign country, but on representations being made as to the bad effect this would have on the industry permission was obtained to ship to firms abroad not on the Black List. The prohibition never applied to British countries.

OIL AND ASPHALT.

The development of the important Oil Industry in which vast capital is now employed, is sufficiently indicated by the returns showing that 34,545,259 gallons were shipped, being about 154,000 tons, against only 14,116,121 gallons in 1915. Two of the large producing companies have now deep water piers at which the largest ships can come alongside and be bunkered or loaded through a pipe line in the shortest possible time, and this facility is being availed of more and more as it becomes known and the excellent quality of the oil appreciated.

Asphalt to the respectable total of 108,128 tons, was shipped. This is not equal to the *ante bellum* output, but may be looked upon in the present world conditions as satisfactory.

CONTRACT STEAMERS.

The steamers of the Royal Mail Steam Packet Company, have continued to give the same general satisfaction as heretofore. They have proved of inestimable service during this period of shortage of freight room and have supplied passenger accommodation most excellent in every way. They have besides been most punctual to schedule time. The tourist traffic, which is valuable in so many respects to the Islands visited, has been fostered with the result that notwithstanding difficulties connected with passports, letters of identification, etc., it has been far more successful than might have been looked for in these times. Experience proves that the ships are not equal in capacity to the freight offering, and a quantity is therefore often shut out. It is admitted, however, that the company endeavour to distribute cargo as fairly as possible, without favour to any one, and that this applies both up and down. To relieve the congestion an extra boat was put on but the development bids fair to be enormous, and much extended arrangements will be necessary when the present contract terminates in October, 1918. A privilege which has been appreciated is that which permits of the voyage being broken at any part of the route. An increasing number of tourists from United States now travel from New York to Bermuda in order to join the Canadian boat there and make the run down and up through the West Indies—one of the most charming of sea trips, especially during the winter months when the climate is as attractive as the scenery.

TRADE AFTER THE WAR.

The Chamber of Commerce has recently passed some very drastic resolutions giving effect to their views as to the policy which should be adopted to conserve trade within the Empire after the war and in the course of a recent report they added the recommendation that "naturalization should not be so easily or lightly granted as has hitherto been the case, and that as regards the subjects of what are now enemy countries, they should be debarred altogether from naturalization for a considerable period of years. The question also has been raised as to whether aliens of any country should be allowed to own or acquire real property. It is suggested that they should not be allowed to hold real property and that this prohibition should attach not only to individuals but to corporations or companies in which aliens possess a controlling interest.

ASSOCIATED CHAMBER OF COMMERCE.

An Associated Chamber of Commerce of the British West Indies has recently been formed among the Chambers of Commerce and Agriculture in the different Colonies. The members at present are: Barbados, Demerara, Trinidad,

Grenada, St. Lucia, Dominica, Montserrat, Antigua and St. Kitts. Triennial meetings will be held early in each of the years that the Congress of Chambers of Commerce of the Empire assemble, so that the Associated Chamber may be represented and prepared with suitable resolutions. As the next Congress will be held at Toronto in June, the first of the Triennial meetings will be held at Trinidad 23rd February, to 4th March when the different Chambers will be represented by 21 delegates. The first resolution submitted will be one urging that arrangements be made at the earliest possible moment to provide for preferential reciprocal trading relations between all parts of the British Empire, etc., etc.

At the Triennial meetings of the Associated Chamber, members must be personally represented, but at the intervening annual meetings, which will be held at such place as may be convenient, proxies may attend.

The establishment of this Chamber would seem to be the first practical step towards bringing the different colonies together, if not to the federation, consideration of which has during the past few years come much nearer the range of practical politics. It is the first occasion on which in any Imperial question men of weight in the British West Indies will have had the opportunity of speaking with a united voice that must command attention, and much interest will attach to the result of the coming deliberations.

Trinidad is grateful for the blessings and prosperity enjoyed during the past two years, and looks forward with confidence to 1917, when it is hoped than an honourable peace may be added to the other signs of progress

CHINA.

REPORT OF TRADE COMMISSIONER.

(*Mr. J. W. Ross*).

SHANGHAI, December 30, 1916.

ANNUAL REVIEW.

Reviewing the work of the Trade Commissioner's Office in China for the year 1916, it may be stated at the outset, that there is nothing of a startling nature to report. Throughout the whole course of the year the work has gone on daily without interruption. It is to be noted that the number of trade inquiries received from Canada was slightly under those received in 1915; but on the other hand inquiries from merchants and others in China was considerably greater than in the preceding two years; showing that our manufacturers at home while actively engaged in furnishing war materials, were not in a position to consider other foreign business nor to seek an export trade beyond their war commitments. So too, the general shortage in many lines which were formerly supplied to China by European countries, was the means of turning the attention of importers to Canada as a possible source of supply; and although we ourselves were not in a much better position to furnish certain lines, yet an interest has been aroused in our manufacturers and a more general understanding of Canadian products has been acquired by dealers in China. This eventually must tend to our advantage and enable us to more easily enter this market with our goods whenever we are in a better position to do so.

SUBJECTS OF TRADE INQUIRIES.

Before reviewing the general conditions of trade in China during the year; the more active work of the Trade Commissioner's Office in respect to Commercial Intelligence and in furnishing information upon commercial subjects to the Trade Department, and to firms and individuals, is to be recorded.

CORRESPONDENCE AND INTERVIEWS.

The following register of letters received and sent do not take into account the numerous local notes and chits which were daily sent out in connection with the general routine of the office. Interviews upon a multitude of subjects might also be recorded; but only those of importance need be stated.

January—

Letters and inquiries received.....	35
“ “ despatched.....	46
Trade interviews during the month.....	33

Inquiries in January were upon the following subjects:—Trans-Pacific shipping, flour, railway sleepers, wooden pipes and water tanks, tinned milk, minerals and ores from China, well boring in China, tenders for railway cars, box shooks, scrap iron, aniline dyes.

February—

Letters and inquiries received.....	33
“ “ despatched.....	51
Trade interviews during the month.....	40

Subjects of inquiry in February were as follows:—Calcium carbide, fresh eggs, Chinese walnuts, apples, molasses and syrup, condensed milk, optical goods, pianos, fire proof safes, Chinese exports, gall nuts and turmeric, Chinese dyes.

March—

Letters and inquiries received.....	34
“ “ despatched.....	23
Trade interviews during the month.....	33

Inquiries in March were upon the subjects of:—Ginseng root, sausage casings, pongee silks, rice from China, raw furs, Shantung silks, pig iron.

April—

Letters and inquiries received.....	38
“ “ despatched.....	44
Trade interviews during the month.....	42

Subjects of inquiry in April were in relation to:—Furs from China, flour, soya beans, Chinese exports, ginseng root, railway sleepers, employment, typewriters, sales agencies, calcium carbide, bedding and mattresses.

May—

Letters and inquiries received.....	35
“ “ despatched.....	40
Trade interviews during the month.....	36

Inquiries this month were in respect to:—Wire nails, railway signaling appliances, apples, gas engines, railway sleepers, customs and postage, chocolate and confectionery, rolled oats and breakfast foods, bicycles, Chinese students.

June—

Letters and inquiries received.....	45
“ “ despatched.....	48
Trade interviews during the months.....	37

Inquiries in June referred to the following:—Canadian lands, paper and pulp, iron and steel, condensed milk, Chinese manufacturers, walnuts, timber, customs regulations, Canadian products, canoes and skiffs, sporting cartridges.

July—

Letters and inquiries received.....	47
“ “ despatched.....	46
Trade interviews during the month.....	50

During July the following inquiries were replied to:—Stoves and ranges, provisions and stores, hides and skins, paper, furs, soap, hardware and metals, Royal Bank of Canada.

August—

Letters and inquiries received.....	45
“ “ despatched.....	18
Trade interviews during the month.....	0

Owing to the absence of the Trade Commissioner from Shanghai during a portion of this month there are no trade interviews to record.

September—

Letters and inquiries received.....	29
“ “ despatched.....	27
Trade interviews during the month.....	49

In September the following inquiries were received and answered:—Hardware, paper, salted fish, ginseng root, rolled oats, herring, beche-de-mer, wood alcohol and acetic acid, commission agents in Montreal and Vancouver.

October—

Letters and inquiries received.....	28
“ “ despatched.....	52
Trade interviews during the month.....	42

Inquiries in October were in respect to the following:—Handles, medical preparations, timber, bristles, employment in China, postage stamps, tea boxes, mattress fibres.

November—

Letters and inquiries received.....	40
“ “ despatched.....	41
Trade interviews during the month.....	37

In November the following answers to inquiries were despatched:—Chinese products, office equipment, British trade in China, cotton goods, Chinese students machinery for Manchuria, newspapers, Empire typewriter, glass, silk piece goods, provisions.

December—

Letters and inquiries received.....	31
“ “ despatched.....	23
Trade interviews during the month.....	43

Inquiries during December were replied to as under:—Banking in the Far East, mail order business with China; opening for tinned salmon, window glass, alum, chemicals, ammonia.

Simultaneous with the above letters of inquiry and the replies thereto, many other letters and notes were handed to travellers and others during the year; such notes were in the form of letters of introduction to parties in China; or to visitors from this country who were about to proceed to Canada. Much verbal information was also imparted to residents of the Far East who were either going to England via Canada, or were to temporarily remain in the latter country; as to Customs regulations, condition of travel, etc., the services of this office were quite freely drawn upon in this respect during the year. Parties owning property in Canada or having investments there, have also made use of this office for information or advice. In short, the Canadian Government Office in China is constantly demonstrating its usefulness as a means of distributing information concerning the home country, quite apart from its functions as a Commercial Intelligence Office.

MONTHLY TRADE REPORTS.

During the year there were submitted to the Department of Trade and Commerce various reports upon commercial subjects and general trade conditions in China; those reports were published in the Weekly Bulletin of the Department as under:—

Weekly Bulletin No.	Date.	Subject.
625	January 17.....	Machinery. Development of machinery imports. Agricultural machinery. Machinery, propelling, boilers, turbines, etc. Machinery for textile industries, carding, weaving, etc. Machinery for brewing, distilling and sugar making. Machines: sewing, knitting and embroidering. Machinery: other kinds and parts of machinery. Electrical machinery and material. Electricity in China. General observation upon machinery. Locomotives and tenders. Railway carriages and wagons. Motor cars. Bicycles and motorcycles.
630	February 21.....	The flour trade in China. Wheat cultivation. Spring and Winter wheat. Native flour in Shanghai. Local prices of flour. Shanghai mills. Out port mills. Returns of the trade. Imported flour. Countries of origin. Decreased imports. Hong Kong flour trade. Manchurian flour.
636	April 3.....	China's foreign trade. Statistics of trade, 1910-1914. Customs revenue, 1910-1914.

Weekly Bulletin No.	Date.	Subject.
636	April 3.....	Distribution of foreign trade. Comparison by countries. Leading imports. Cotton piece goods. Woollen goods. Iron and steel and metals. Machinery, timber, flour, fish. Provisions and stores, tinned milk. Dyes and colours, kerosene oil, matches. Cigarettes, soap, etc. China's exports, exchange, shipping.
639	April 24.....	The production of antimony in China. Ore areas and development. Distribution. Qualities of Ore. Mining Companies. Smelting processes. Exports of antimony. Chinese corner in antimony. Uses of antimony.
643	May 22.....	The port of Hankow. The Yangtze River. Developments of the port. Adjacent cities. Foreign trade of Hankow. Industrial Development. The Han Yeh Ping Iron and Coal Co. Railway development. The Hankow improvement scheme.
646	June 12.....	Chinese native dyes. Blue—most common colour. Method of dyeing with indigo. Yellow, Red. Green, Black. Method of dyeing black. Other shades and tints.
650	July 10.....	The seed and oil industry of China. Rape seed, Sesamun seed. Exports of sesamun seed and oil. Cotton seed oil, Ground nut oil. Beans—Varieties of. The Soya bean of Manchuria. Exports of beans to foreign countries. Exports of bean oil. Uses of bean oil; increased demand. Other vegetable oils. Wood oil, vegetable tallow, white wax. Oil mills in China.
655	August 14.....	China and the war. Exports increased. Products in greatest demand. United States trade with China. Principal increases. Gains in raw silk. Decrease in certain lines. German trade in China. German methods of trade in China. Japanese in China. Training college established in Shanghai. Industrial enterprises of the Japanese. Japan's beer trade in China. Revival of trade in China. Hankow tea season. Effects of high exchange. Aniline dyes. Philippines meat contract.
664	October 16.....	American loans. Japan's opportunity.

Weekly Bulletin No.	Date.	Subject.
564	October 16.....	Other loans. The cotton market. Trade with Japan. Exports from Japan to China. Flour milling in Japan. Import and export of flour from Japan. Importations of wheat into Japan. Trans-Pacific shipping. Chinese students.
668	November 13.....	The cotton industry. Cotton cultivation. Extent of the crop. Cotton-producing districts. Quality of China cotton. Cotton mills in China. Effect upon imports. The Piece-goods trade. Imports of cotton cloth into China. Comparative statistics. Conclusions. Future outlook of the trade. British trade.

Numerous trade catalogues, trade journals and circulars were also distributed to business firms, not only in Shanghai, but in other ports during the year; by this means interest has been aroused in Canadian products and manufacturers to a notable extent.

Notices of the calling for tenders for railway equipment were also sent to the Department of Trade and Commerce to be noted in the Weekly Bulletin, as follows:—

Railway sleepers, bridge timbers, railway cars and coaches, locomotives, and steel girders for bridge construction.

GENERAL REVIEW OF TRADE.

It is difficult at this date, in advance of the published returns of trade, to give more than a cursory review of the commercial conditions which prevailed during the year.

The year 1916 was ushered in under rather favourable conditions so far as Shanghai was concerned. On account of the great scarcity of tonnage space which prevailed during the preceding year stocks of merchandise in the interior were low; consequently there was a fairly brisk demand immediately the Chinese New Year was past. Native commodities for export had enjoyed a good year in 1915—notably tea—and generally speaking food crops had been abundant; so the purchasing power of the people for the time being was fairly up to that of the best of years.

The boom in rubber shares which occurred early in the year had also a favourable effect; which was bound to be the case in this port, where such shares have been the most active speculative commodity here for the past six or seven years.

Taking the year 1916 as a whole; it has not been bad for the Chinese, inasmuch as the various crops were fairly plentiful and food prices were cheap. On the other hand the high rate of exchange which prevailed had a depressing effect upon exports. This was notable in the case of tea which greatly suffered from this cause. With the value of teas being fixed in London or New York on a gold basis and with silver at its present high value, less local

money comes to the teamen for their crop. This was in marked contrast to their favourable experience of 1915, when exchange was low. In a measure the same factor affected all other exports in a similar manner; but the very active demand and high prices prevailing for certain commodities were the means of overcoming this handicap to a large extent; consequently so far as one could observe there was an active movement in such Chinese products as cotton, hides and skins, wool, seeds, oils, and antimony; Japan and the United States particularly being large purchasers of all such lines.

INDUSTRIAL ACTIVITY.

As will be observed from the advance statement of the revenue from the foreign Customs given below, there was an increased collection of dues and duties during the year, amounting to Hk. Tls. 1,000,000. This is direct evidence that the general trade must show a corresponding increase beyond the figures for the preceding year, when the final returns are made up. As the Customs duty is fixed at 5 per cent *ad valorem* both upon imports and exports alike, this would go to show—roughly—an increase of Hk. Tls. 20,000,000 upon the gross foreign trade; this is very little to boast of for a great neutral country in war times, and plainly shows what a weak position China occupies in industrial development, not to be able to take a greater advantage of the present opportunity as Japan is doing.

It cannot be stated that much advance in manufacturing, excepting in cotton spinning is to be observed; but in that line considerable activity is to be reported; many new mills were erected during the year at different points, and others which had been in disuse for some time were again put in operation. It has recently been reported that the Japanese are soon to establish other mills in China on a very extensive scale. (Full reference was made upon the cotton trade and industry in this country in the report—Weekly Bulletin No. 668 of November 13, 1916.)

When the full returns for the year are finally published it will probably be shown, that any trade increase which took place was in the line of exports rather than in imports, for it is well known that in several lines of foreign goods, diminished supplies have been coming in. Such important articles as timber, flour, provisions, railway material and general machinery will all show a decrease; while China's exports of cotton, silk, antimony, hides, skins and wool have all been in active demand.

CHINESE REVENUE.

As stated above the revenue from the Maritime Customs for the year will show an increase of over Hk. Tls. 1,000,000, the actual figures being Hk. Tls. 37,750,000 at an average exchange of three shillings and $3\frac{1}{4}$ pence equaling £6,262,174, as compared with Hk. Tls. 36,747,000 at exchange of 2 shillings and $7\frac{1}{2}$ pence—equaling £4,765,626 for 1915. The figures for 1916 are however Hk. Tls. 5,000,000 under those for 1913.

SALT REVENUE.

The revenue from the Salt Gaballe was also very favourable, and was considerably in advance of that from the same source, for any previous year; greatly exceeding those from the Maritime Customs—the total being Mexican \$71,500,000. Of this amount \$25,000,000 was devoted to the payment of obligation secured by the salt revenue, the balance being available for the Government.

All foreign obligations pledged by both the Customs and salt revenues were fully met, up to the close of the year.

UNITED STATES ACTIVITY.

There is in evidence a very active business propaganda representing United States commercial interests on foot at the present time in China, with the avowed purpose of replacing British and German goods with the products of the United States in all Far Eastern markets; the activity of United States merchants in the China market during the year has been most marked, American commercial travellers have been here by the score. Every steamer that reaches this port from the United States brings some representatives of American business houses among its passengers.

The United States Consul General reports that 21 new American firms have registered in China during the year. True many of those so-called firms, are little more than commission houses or brokerage agencies, and may not be very long lived, but certain others are large concerns with ample capital and are probably here to stay.

In addition to this large influx of American business men, China has also been visited during the year by several people who are prominent in United States public life, politicians, philanthropists, college professors, travellers, and journalists; these parties have been holding meetings and delivering lectures and addresses on many occasions, not only to business men, but to associations and clubs, to returned Chinese students and other gatherings of prominent native people; all of which tend to keep the United States and its interests prominently before the public to a remarkable extent.

United States interests in China have also been furthered by the issuing of recent loans to China by the former country and by their acquisition of the important railway concession in the north, which formed the subject of a report from this office last month. (Weekly Bulletin No. 675).

JAPANESE INTERESTS.

As has been pointed out in former reports, Japanese activity is ever present in this country, and the year 1916 has shown no slackness on their part in pushing their interests in the China markets. This condition must always exist: the favourable condition which Japan occupies in respect to China trade must ever give that country an advantage which other nations cannot hope to overcome, and as Japan expands and extends its industrial productivity this advantage will doubtless become more apparent year by year.

Not only does Japan sell much more to China than any other country, but she is China's best customer for what the latter has to sell; Japan is also taking a hand in the industrial life of China to a large degree, and controls the largest paper mills in the country, also cotton, flour, and silk mills, breweries, etc., and other enterprises of a similar nature are certain to follow.

SHIPPING.

Freights, which were held at previously unheard-of rates at the beginning of the year, took a drop in May and June. This was fortunate, as it enabled the tea crop to be moved at figures which it could reasonably stand. As the year advanced, rates again stiffened, and at date of writing are still abnormally high.

During the year the Pacific Mail S.S. Co. was re-established and three vessels were put upon the route. The China Steam Ship Co. was also formed, with one steamer; all the vessels of the C.P.R. Ocean Services have also been in commission throughout the year upon their former schedule. In this manner Trans-Pacific freights were in a much more favourable position than in 1915; nevertheless tonnage is still inadequate for the service, and freights are held at very high figures in comparison to those existing before the war.

SILVER AND EXCHANGE.

The year opened with Exchange for Telegraphic Transfers at a rate which was fairly average for a number of years past, but with the rapid advance of silver, exchange rates began to rise in March and continued to advance month by month until the close of the year.

Quotations for Bar Silver in January were 26 $\frac{11}{16}$ pence per oz., lowest.

Quotations for Bar Silver in December were 36 $\frac{13}{16}$ pence per oz., highest.

Exchange on London T. T.: average monthly rate 1916.

	s. d.		s. d.
January.....	2 7 $\frac{3}{4}$	July.....	2 9 $\frac{1}{2}$
February.....	2 7 $\frac{1}{2}$	August.....	2 11
March.....	2 8	September.....	3 0 $\frac{1}{2}$
April.....	2 10	October.....	3 1 $\frac{3}{4}$
May.....	3 1	November.....	3 4 $\frac{1}{2}$
June.....	2 11	December.....	3 6 $\frac{1}{2}$

The meaning of this is that the Shanghai tael, which was worth only 2s. 7 $\frac{3}{16}$ d. in January had advanced to the value of 3s. 6 $\frac{1}{4}$ d. in December, corresponding to the advance in the price of silver. The peculiar point in this is that notwithstanding this advance, the tael has no increased purchasing value in the local market. This is disastrous for exports, for if a merchant sells a cargo of hides for so much gold, he will receive much less in silver currency than he would have done a year ago. This is an illustration of the unfortunate position in which a country without a fixed currency and operating upon a silver basis may find itself at any time.

CHINA AFTER THE WAR.

Various opinions have been expressed as to what will take place in China at the close of the war. The view most generally held is that a forward policy will be adopted by all trading nations in an endeavour to exploit this market to their individual advantage, and great expectations are entertained by many people. Unfortunately a realization of this hope does not entirely depend upon the energy of the foreign merchants; so much more rests with the Chinese themselves. This is probably one of the most difficult markets in the world to hustle; the Chinese people have for so many centuries been so little dependent upon foreign trade and the country so self-contained within its own borders that the necessity for foreign goods is not so apparent as in other countries; moreover, the general purchasing power of the people is so low that unless their economic condition can be materially changed no great expansion of trade should be looked for.

The future prosperity of this country must be along industrial lines; e.g., the development of its natural resources and improvement in transportation. In none of the above-mentioned fields of activity can China succeed without the aid of foreign capital and instruction. A campaign of enlightenment to impress upon the minds of the Chinese how vital to her future existence is the necessity of developing China's resources and to increase manufactures should be the constant aim and policy of every foreigner in China; the result would be that much foreign material, machinery, and general equipment would be in demand; the added fields of labour thereby created would relieve the pressure upon agriculture which now exists, and improve the condition of the people and place them in a position to indulge in the luxury of foreign goods.

There is evidence that some such activity will be put in force at the close of the war. Railway construction will undoubtedly be pushed on concessions already granted. Foreign loans will also very probably come to the assistance of the Government, in order to improve the waterways of the country and to overcome floods. Taking advantage of such assistance it is to be hoped that with the coming of peaceful times China may start upon a new life—an industrial one.

FRANCE.

REPORT OF COMMISSIONER GENERAL

(Mr. Philippe Roy).

PARIS, 10th February, 1917.

FURTHER INCREASE OF CANADIAN EXPORTS.

The considerable increase in Canadian exports to France noted during the year 1915 has continued during the past year. The report on Trade and Navigation of the Department of Customs for the fiscal year ended March 31st, 1916, which is the only criterion available, the French Government having ceased to publish detailed trade statistical reports since the war, shows that the total value of Canadian exports of home products amounted to \$33,703,183, against \$14,595,705 in the fiscal year 1914-15. On the other hand, the unrevised figures of trade and navigation returns compiled by the Department of Customs for the six months ending September, 1916, of the present fiscal year, which is the last available report, give the exports of Canadian products to France as \$28,550,169.

French exports to Canada, which had fallen off by nearly one-half during the fiscal year 1914-15, including eight months of war, have continued to decrease perceptibly, the total entered for consumption in Canada being \$5,949,470 for the fiscal year ended March 31st, 1916. For the six months April to September, 1916, included, the total French exports amounted to \$3,303,043, which seems to show that in spite of the developmennts of the war they will show an increase during the present fiscal year.

The very large increase in Canadian exports is no doubt due to purchases made by the French Government, but nevertheless a perusal of the statement of exports of goods by countries clearly indicates that a fair percentage of the increase can be attributed to the general trade. The French Government has sent to Canada a number of experts to undertake purchases, in conjunction with the Hudson Bay Company, which has continued to act as general purchasing agent on behalf of the French Government. Representations made to the French Government at the request of the Minsiter of Trade and Commerce during 1915 and the early part of 1916 have thus borne fruit.

SHORTAGE OF OCEAN TRANSPORT.

The shortage of ocean tonnage has continued to be felt in a marked manner and, together with the continually rising rates of freight, has contributed to curtail perceptibly the imports of Canadian products into France, outside of those made for the account of the French Government, for which ocean transportation was provided. A special line of steamers was organized to handle the transportation of supplies bought by the French Government, which has done good service. Numerous instances have occurred, as shown by correspondence on file, where French inquirers placed in touch with Canadian producers or manufacturers have been unable to secure the goods required, owing to the fact that Canadian exporters were unable to quote CIF prices for delivery at French ports, on account of the lack of direct steamship connections between Canada and France. Canadian firms stated on several occasions that as freight rates were constantly changing, increases frequently taking place

from one week to another, it was almost impossible to quote CIF prices to France, considering the increased time in the delivery of mails, unless negotiations were conducted by cable. This has been the case notably regarding inquiries for newsprint, wrapping paper and woodpulp fibre.

TRIP OF CANADIAN TRADE COMMISSION.

The Trade Commission appointed by the Honourable the Minister of Trade and Commerce arrived at Havre on the 10th June and your Commissioner met them on their arrival. They came to Paris on the following day and remained one week. The members of the Commission frequently took advantage of the services of the office to facilitate the object of their mission and get in touch with trade circles which they desired to meet, in order to carry out their investigation. The undersigned accompanied the late Postmaster General to Lyon and Marseille at the end of June, to meet the Commission, and remained with them until the middle of July.

The members of the Commission were afforded a splendid opportunity to meet the business men, manufacturers and financiers of France, and in the large centres which they visited the receptions tendered to them by the Chambers of Commerce provided an excellent means of pointing out the possibilities of trade extension on both sides, not to mention the numerous occasions of personal contact with merchants and wholesale dealers, who were eager to become prospective buyers of Canadian products.

Before the departure of the Commission for London at the end of July, after a consultation with the Canadian Section and the Board of Directors of the British Chamber of Commerce, the Chairman of the Trade Commission and the undersigned had an interview with the Director of the National Office of External Trade of the Ministry of Commerce and Industry, to request him to consent to cover by an official letter the circular and blank forms of inquiry which were to be distributed to the principal syndicates of manufacturers, importers and wholesale and retail dealers in France. This method had been decided upon as the most efficacious means of completing the inquiry of the Commission on the possibilities of developing commercial relations between Canada and France. The Director of the National Office of External Trade having expressed his willingness and furnished the undersigned with a list of 200 of the largest syndicates, 15,000 circulars and blank inquiry forms, one referring to Canadian exports, the other to French exports, were forwarded by the office on behalf of the Trade Commission, each syndicate receiving a number of circulars and blank forms proportionate to its importance, as shown by its total membership. A very satisfactory number of replies were received and forwarded to the Secretary of the Commission at Montreal, to be used in their report now under preparation. A much larger number of replies would have been transmitted, but for the fact that most of the syndicates had not resumed their regular sittings, when the forms of inquiry reached them towards the end of August, so that all members did not get them. Besides many serving under the colours had been forced to close up their business.

PORTABLE HOUSES—LUMBER—RAILWAY SLEEPERS.

Negotiations with the "Secours National de France" on behalf of the Ontario branch of the "Secours National," regarding portable houses, were continued during the early part of the year. Correspondence was also exchanged with the Honourable the Minister of Trade and Commerce, who had taken in hand the organization of a syndicate of members of the wood-working trade to establish some models of detachable houses, intended for the devastated regions of the war zone of France, for submission to the Committee of the "Secours National" in Paris. After ascertaining what were the special features of the

"Secours National" had in view for these temporary shelters, specifications were sent to Canada. Several models were established, based upon the plans submitted, and Mr. Frank Pauzé, of Montreal, a member of the Trade Commission which visited France subsequently, came to Paris at the end of April to conduct a special enquiry. Six models of portable houses arrived some weeks afterwards and were set up in the Tuileries Gardens, a short time after the opening of the Reconstruction Exhibition held there in May and June. The "Secours National" submitted observations on each model in a report which was communicated to interested parties.

Interviews were also arranged for Mr. Pauzé with the lumber trade, and several builders who had inquired at the office regarding portable houses, and valuable information was thus secured. The six model houses were presented to the "Secours National" and are being utilized at present by the Canadian General Hospital No. 8 at Saint-Cloud.

At the close of the Reconstruction Exhibition, the French Government created a special branch at the Ministry of the Interior to deal with the problems of the reconstruction of devastated regions, in conjunction with the authorities of the Departments, cities, towns and villages which have suffered from the invasion. It was ascertained that the policy adopted by the French authorities would be that the construction of those houses as much as possible would be undertaken in France. Should a change of policy take place this office will be notified, so that Canadian manufacturers may be given an opportunity of tendering. The interior walls of some of the houses were made of wood-fibre board which attracted the attention of the French authorities. It is possible that if the examination of the samples submitted proves satisfactory, Canadian manufacturers of this article will be requested to submit samples and prices.

At the beginning of the year quotation lists on several lots of lumber of different varieties were forwarded by a firm in Ottawa and transmitted to French firms whose names were on file, and other wholesale lumber dealers and brokers. One or two shipments were made to a French Atlantic port with satisfactory results, but the considerable increase in ocean freight rates prevented further business. A Nova Scotia car building corporation took advantage of the favourable summer weather conditions to ship lumber as deck-load on one of its transports coming to France with freight cars in knocked down shape, but the price realized was not considered sufficient in view of existing freight rates on lumber and the experiment was not renewed.

An interesting inquiry was made in the fall by an important manufacturer of silk thread, which practically has a monopoly of the spool silk trade. Its annual consumption of spools is over 2,000,000 dozens, mostly birch. Samples were forwarded to the Department, together with specifications of the spools and gauge shapes, for the information of intending bidders, and this appears to be a very good opening for an important and permanent business.

Two builders of flying-machines applied to be put in touch with producers of a light variety of lumber used for aeroplanes, and samples forwarded to the Department.

The Timber Commissioner of British Columbia came to Paris in July to call on the five principal railway systems which had received in June fifty railway sleepers of Douglas fir forwarded by the Government of British Columbia, which had come on a British transport via Alexandria to Marseille. These sleepers were sent upon the suggestion of your Commissioner in order to permit the French railways to make thorough tests of Douglas fir ties, oak, beech and other hardwood creosoted sleepers being used exclusively by French railroads. Owing to the peculiar type of rail attachment known as the Vignolle type in use by most companies, the others utilizing the ordinary cushion-plate employed by British railways, the tests prescribed by French railways are unusually severe as regard the resistance to pull. Interviews were arranged between Mr. J. G. Woods and the Chief Roadbed Engineers of the North and State Railways,

during which the possible use of Douglas fir and other soft wood as sleepers was thoroughly discussed. In spite of the satisfactory reports of British railways which have used fir and hemlock sleepers, produced by Mr. Woods, the French railway officials appeared to think that unless they were forced to discard the Vignolle type for the cushion-plate attachment, because of the scarcity in coming years of available timber for sleepers, the use of soft wood ties could not be considered in view of their lesser resistance.

A number of inquiries were received with respect to wrapping paper, newsprint and wood pulp. They were forwarded to the Department and, in the case of the most important requests, Canadian mills were advised by circular letter. In the case of wrapping paper, some of the mills written to replied that their total production for the year and for an even longer period, was fully contracted for. Other mills replied that owing to the state of ocean freight facilities and rates, they were unable to quote otherwise than FOB Canadian ports. The replies received regarding newsprint paper were somewhat similar, though a number of companies gave conditional CIF quotations, French ports, but the prices were considered too high at that time, no doubt due to the superior quality of the paper compared to the kind in use in France. Several requests were made with regard to wood pulp and sulphite fibre and were acted upon in the same way. A particularly important one emanated from the Epinal Chamber of Commerce, on behalf of paper manufacturers of eastern France which formerly bought their sulphite fibre and chemical wood pulp from Sweden. It might have led to considerable immediate business if Canadian producers had been able to quote prices CIF Rouen, but apparently that was not possible. There should be a considerable market for Canadian sulphite fibre after the war, provided freight rates reach a level that will permit competition with Swedish exporters.

FOODSTUFFS.

Lobsters, both fresh and canned, having been placed on the list of prohibited imports by the French Government, agents of Canadian canners in Great Britain as well as the Honourable the Minister of Trade and Commerce requested me to take the matter up with the Commercial and Industrial Affairs Branch of the Ministry of Commerce and Industry in June. Representations were made to the Director and after negotiations which lasted for some time, the assurance was given that permits of exemption would be readily granted to French importers of lobsters from Canada and the formalities facilitated in every way. The agents of Canadian canners in Great Britain, through whom most of the canned lobster is sold to French brokers, reported that in all cases the permits of entry had been granted to their clients. It was not possible to remove the embargo on this article, as the general embargo list had been drafted and promulgated after a joint agreement between the British and French Governments which could not be altered.

Inquiries for chilled meat, ham, lard and pork, besides being sent to the Department, were communicated to the agents of a Calgary and an Ottawa packing concern with good results. From reports at hand a large business has been done during the year, not only through contracts entered into with the French Government, but with the trade at large. Sales are made in all large centres and a very fair proportion of the business gives prospects of continuing for some years after the war.

Condensed milk, milk powder and other similar preparations were much in demand, but in the case of one important inquiry for quick delivery, which was forwarded to the Department and communicated to several producers, the reply was to the effect that the output was sold for months in advance and new orders could not be accepted for some time.

Two requests for immediate delivery of canned fruit, received in the fall, were referred to the Trade Commissioner in London for communication to the

agents in Great Britain of Canadian canneries. The answers submitted pointed out that in view of the shortage of the fruit crop last year, the production would be barely sufficient for home demand and orders already booked in the United Kingdom.

One firm in Paris which owns numerous sardine, vegetable and meat canneries in France, after securing a suitable agent in Montreal, expressed the desire to take up the sale of tinned salmon and lobster and was put in touch with several canning factories. Owing to its wide connections, this concern would be in a favourable condition to handle this business throughout France and the negotiations which have resulted promise to lead to satisfactory arrangements.

In view of repeated inquiries regarding apples and the high ruling prices in the retail trade, an interesting trial to import "McIntosh" and "Fameuse" apples was made in December by the Quebec Government, upon the suggestion of Mr. Godfrey Langlois, Agent General in Belgium temporarily located in Paris. Special packing was provided and the fruit reached Paris in good condition and was sold at a price which would have netted a good profit, if transportation rates had been less exorbitant. In order to make the experiment conclusive a point was made to sell the apples to retail dealers and caterers.

RAILWAY MATERIALS.

Three well known Canadian car building corporations, which had been receiving offers from French railways at the instigation of this office have appointed agents in this country and have been successful in securing important orders from several railway systems.

COMMERCIAL AND SUNDRY INQUIRIES.

Until June the Canadian dollar had never been quoted on the Exchange Market of the Paris Bourse. Representations were made to the Syndicate of Stock Brokers of the Bourse and with the consent of the Minister of Finance of the French Government it was decided that in future the Canadian dollar rate of exchange would be quoted on the Paris Bourse.

The Department applied for information concerning a report that a process for retting flax straw and utilizing it in the manufacture of fabrics had been discovered in France and was in use. Following a careful investigation a factory was discovered in the Sarthe Department in which the process was applied. This plant is a branch of an Italian company whose factory is at Milan. The information was duly transmitted to the Department and an interview arranged between the manager of the French company and the members of the Trade Commission.

Several applications for the settlement of claims and involved consignments standing in abeyance, were received during the year and it was possible in several cases to arrange them in a satisfactory way.

Upon the announcement that a Sample Fair would be held at Lyon in March, the question of Canadian participation was taken up with the European manager of the Canadian Pacific Railway in London and the representatives in that city of the Canadian Export Association. A number of Canadian manufacturers were induced to take part in the exhibition, about ten companies sending samples. The undersigned, who visited the Fair, had personal evidence that the Canadian exhibits attracted favourable attention.

Your commissioner also visited the Bordeaux Sample Fair in September, but owing to the short notice given before the opening of the exhibition, it was not possible for Canadian manufacturers to participate.

Inquiries for the importation of the following Canadian products were received during the year: lumber, portable houses, wood blocks, telegraph

poles, woodpulp, paper, cardboard, frozen meat, salted pork, hams, lard, apples, canned fruit, evaporated apples, milk products, canned lobster, salmon, agricultural implements, motor agricultural machines, machine tools, sewing machines, knitting machinery, electrical apparatus, asbestos, mica, minerals, rubber sponges, cement, nails, shoe nails, bolts and screws.

A large number of inquiries were also received from Canadian importers desiring to establish connections with French manufacturers and producers of the following articles: glass blocks, glass records, upholstery fabrics, silk, ribbons, dress goods, cloth, bottle wickers, gelatine, potato starch, walnuts, grocery specialties, canned fruit and crystallized flowers, fruit juice, drugs, pharmaceutical products, press buttons, electrical apparatus, metal corks, chaton foils, plumbago, plumbago crucibles, brushes, camel's hair, mineral water, glass eyes, hair nets, combs, fancy jewellery, hand bags, bauxite clay, vegetal and carbon black.

The correspondence concerning settlement in Canada has continued to be heavy, especially from soldiers at the front, and a very large quantity of literature was distributed.

The general correspondence of the office has also shown a considerable increase touching on such matters as applications from relatives of French residents in Canada desiring information as to their whereabouts; requests by lecturers for material and data on Canadian development and participation in the war; certificates of Canadian residence to soldiers in the French army.

Your commissioner wishes to acknowledge and express his appreciation for the assistance and courtesy received at the hands of officials of the Dominion and Provincial governments, commercial bodies at large, as well as the Canadian section of the British Chamber of Commerce in Paris. In all cases it has been possible, thanks to their valuable help, to furnish all inquirers with full and satisfactory information.

SYNOPSIS OF WORK.

Canadian inquiries for French openings.....	53
Canadian inquiries for French products.....	40
French inquiries for Canadian products.....	38
French inquiries for Canadian openings.....	19
Number of letters received.	4482
Number of letters sent.....	8 66

GREAT BRITAIN.

REPORT OF TRADE COMMISSIONER.

(*Mr. J. E. Ray*).

BIRMINGHAM, Jan. 20, 1917.

ANNUAL REVIEW OF THE WORK OF THE OFFICE.

The volume of work at the office has been well maintained during the past year. Certain impediments to trade and commerce between Canada and the United Kingdom have existed, mainly associated with staple industries. Prohibitions, export and import under special license, cost of transport, dearth

of tonnage, and the occupation of Canadian plants on munitions of war, are a few of the obstacles that have confronted commercial men on both sides of the water.

CORRESPONDENCE.

The amount of correspondence undertaken was slightly greater than that of the previous year. The number of letters received was 1,263, and the number despatched 2,671.

A feature of the correspondence last year was the increase in the number of Canadian firms enquiring for buyers in Birmingham and district.

INTERVIEWS.

The number of interviews held in the office was 287, being 25 less than in 1915.

ENQUIRIES FOR CANADIAN MERCHANDISE.

The number of enquiries received for Canadian merchandise was 110; these were duly forwarded to the Department of Trade and Commerce for publication in the Weekly Bulletin. The goods enquired for were:—

Agricultural products.—Barley, flour, peas, hay, potatoes.

Foodstuffs.—Apples, pears, canned meats, canned fruits, canned vegetables, canned salmon, lobsters, poultry, cheese, eggs, cider, jam.

Manufactured goods.—Wire nails, steel, iron, cotton and woollen goods, picture frame mouldings, tools, machinery, belting, forgings, household utensils, bedstead parts, auto accessories, axles and tyres, hosiery, brass, rods, chucks, coathangers, brushes, paper, boot and shoe laces.

Miscellaneous.—Asbestos millboard, wood wool, sheet glass, enamelware, timber, leather, oils.

INTRODUCTIONS.

The following notes have been extracted from the 52 diaries despatched during the year to the Department of Trade and Commerce. They comprise introductions of Canadian exporters to importers in Birmingham and district, and no definite information has been received from any of them regarding the success or otherwise of the introductions. The extracts serve, however, as an illustration of an important feature of the work of this office:—

1. A Canadian firm exporting tyres and rubber goods introduced to importers.
2. A Canadian firm manufacturing agricultural implements introduced to firms in the Midland Counties.
3. A Canadian buyer of vitreous chinaware introduced to two manufacturers in the Pottery district.
4. Ten Canadian exporters of leather introduced to five importers.
5. A Canadian importer of meat hooks introduced to a British manufacturer.
6. Several importers of potatoes and fruit in Birmingham introduced to a number of Canadian exporters.
7. A general exporting firm in Canada introduced to importers of general hardware, etc.
8. A Winnipeg firm furnished with names and addresses of lumber importers in the United Kingdom.
9. A Nottingham importer of potatoes introduced to Canadian exporters.
10. A Canadian milling company introduced to a Birmingham importer of oats.
11. A Canadian importer of hairpins introduced to manufacturers in Birmingham.
12. A Leicester importer of poultry and eggs introduced to Canadian packers.
13. A Cereal manufacturing company in Canada introduced to importers in Birmingham and district.
14. Names of buyers of wrappings and packings forwarded to a firm in Toronto.
15. Several importers of lubricating oils, cod oil and cod liver oil introduced to Canadian exporters.
16. A Birmingham firm introduced to Canadian manufacturers of drill chucks and lathe chucks.
17. A Canadian exporter of logwood paste introduced to two importers.
18. A Winnipeg commission agent introduced to British grocery exporters.
19. A Canadian rolling mill introduced to a Birmingham importer of iron and steel.
20. Two Birmingham importers of boot laces introduced to two exporters of the same in Toronto.
21. A Nottingham poultry importer introduced to Canadian exporters.
22. A Birmingham hardware importing firm introduced to Canadian manufacturers of hardware.

23. A Lincoln importer of cod oil introduced to a firm in Montreal.
24. A Canadian exporter of offals introduced to a Birmingham importer.
25. A Canadian manufacturer of paper introduced to a Birmingham importing firm.
26. A Montreal buyer introduced to Birmingham exporters of wire ropes and hoop iron.
27. A Nottingham firm furnished with the names and addresses of Canadian manufacturers of hosiery.
28. A Birmingham fruit merchant introduced to Canadian exporters of pears.
29. A Birmingham exporter of coathangers introduced to Canadian manufacturers.
30. A Birmingham importer of asbestos introduced to Canadian exporters.
31. A Canadian manufacturer of wire introduced to two Birmingham importers.
32. A Birmingham bedstead manufacturing company introduced to a Montreal firm exporting wire.
33. A Montreal firm introduced to British exporters of phonograph records.
34. A British Columbia firm exporting fish introduced to a Birmingham importer.
35. Two Birmingham importers of canned fruits and fish introduced to Canadian packers.
36. A Birmingham importer of cider introduced to Canadian exporters.
37. Two Canadian manufacturers of cotton goods introduced to a Birmingham firm engaged in re-exporting to South Africa.
38. A Canadian manufacturer of shaving paste introduced to Birmingham firms.
39. Several Canadian manufacturers of shell parts introduced to a Birmingham firm.
40. A Liverpool flour importer introduced to Canadian exporters.
41. A manufacturer of milk powder in Ottawa introduced to a Birmingham importer.
42. Several Canadian manufacturers of wooden-ware introduced to a number of Birmingham importers.
43. Samples of bedstead tubing received from a Canadian manufacturer placed with a large Birmingham importer.
44. A Middlesboro' importer of shell parts introduced to firms in Toronto, Sarnia and St. John, N.B.
45. A Leicester firm introduced to Canadian exporters of canned fruits.
46. A Lincoln firm introduced to Canadian exporters of canned goods.
47. A Toronto exporter of eggs introduced to Birmingham importers.
48. A Quebec firm manufacturing folding chairs introduced to importers.
49. A Canadian firm manufacturing brushes introduced to a prospective representative in Birmingham.
50. Two Birmingham buyers of wire nails introduced to Canadian manufacturers of the same.
51. A Derby firm introduced to Canadian exporters of canned fruits.
52. Several Birmingham importers introduced to Canadian poultry exporters.
53. A Wolverhampton firm importing steel introduced to Canadian manufacturers.
54. A Montreal importing firm introduced to a Birmingham exporter of smelling salts.
55. Samples of railway keys received from Canada handed to a Birmingham importer.
56. A full list of canned fruit importers sent to a firm in Hamilton.
57. A Niagara Falls exporter of steel billets introduced to buyers in Birmingham and district.
58. Several importers of axles and springs introduced to Canadian manufacturers.
59. A Canadian manufacturer of belting introduced to importers in Birmingham.
60. A Canadian firm manufacturing hardware introduced to importers in the Midland Counties of England.
61. A Canadian exporter of nuts and bolts introduced to Birmingham importers.
62. A Canadian firm exporting rye, buckwheat, and peas, introduced to importers.
63. A Canadian manufacturer of musical instruments introduced to importers.
64. A Canadian manufacturer of brass goods introduced to a Birmingham importer.
65. A Canadian exporter of seeds introduced to importers.
66. A British Columbia firm importing cutlery introduced to British exporters.
67. A Canadian firm manufacturing forgings introduced to importers in Birmingham.
68. A Canadian manufacturer of locks introduced to an importer in Wolverhampton.
69. A Canadian exporter of wooden handles introduced to Birmingham importers.
70. A Canadian exporter of beans introduced to Birmingham importers.
71. A Canadian exporter of binder twine introduced to buyers in the Midland Counties of England.

REPORTS PUBLISHED DURING THE YEAR.

During 1916, twenty-five reports were forwarded for publication in the Weekly Bulletin. The subjects dealt with are enumerated below for the benefit of such firms as may not have seen the original reports:—

Bulletin No.	Birmingham Date.	Subject.
628	January 7, 1916.....	Demand for picture frames. Enamelled household utensils. State of Sheffield Cutlery Trade. Threatened boot famine. British Empire Trade Conference. The World's wheat crops. Shortage of paper.
629	January 13, 1916.....	Shortage of tallow. Government orders for jam. Dearth of platinum. Prosperity of British timber trade.

Bulletin No.	Birmingham Date.	Subject.
630	January 21, 1916.....	Demand for angle iron and tubing. Shortage of starch. Wall-paper famine. Gt. Britain's horse imports. World's Mercantile Marine.
631	February 3, 1916.....	Demand for steel and iron manufactures. Beef imports of the United Kingdom. Trade Report of Advisory Committee.
633	February 8, 1916.....	Enquiries for steel billets and brass tubes. Reports on the metal market. Agricultural imports 1915. Agricultural statistics. Paper and wood pulp conditions. English banks — year's results.
635	February 14, 1916.....	Trade of United Kingdom, 1915. Conditions of poultry and egg market. Imports of horses.
636	February 23, 1916.....	Demand for bedstead tubing. Hides and leather market. Condition of timber markets in 1915.
639	March 20, 1916.....	Condition of egg market. High prices of linseed oil. British imports of toys. Inquiries for foodstuffs. Canada and British meat market. Foreign and Colonial imports.
641	April 6, 1916.....	The prohibition of hardware imports. Bedstead component parts. Inquiries for canned goods. Condition of rag market.
644	May 8, 1916.....	Increase of food imports from Canada. Restrictions of imports. Inquiries for dowels and skewers. Dearer cod liver oil. Inquiries for small wood goods. Scarcity of potatoes.
646	May 16, 1916.....	British imports and shipping. A new British Trade Organisation. New Chamber of Commerce for Birmingham. Wheat crop of the United Kingdom. Condition of leather market.
648	June 8, 1916.....	Demand for cattle feeds in Great Britain. Apple crops in peril.
653	July 5, 1916.....	Inquiries for Canadian cider. Hay and straw crop. Condition of British crops.
657	July 24, 1916.....	Shortage of cattle feeds. Canada and Bristol steamship service. Inquiries for leather.
659	August 2, 1916.....	Condition of British meat imports. Empire shipbuilding. State subsidy of Commerce.
660	August 18, 1916.....	Inquiries for Canadian oils. Utilizing refuse tins and metals.
662	September 1, 1916.....	Demand for raw pears. Inquiries for pin wire. Demand for asbestos manufactures. Inquiries for coathangers.

Bulletin No.	Birmingham Date.	Subject.
664	September 19, 1916.....	Demand for poultry and apples. Condition of British hay market. Government regulations regarding hay. Sulphate of ammonia for wheat. New variety of wheat. Development of rennet manufacture.
665	September 27, 1916.....	Meat imports of United Kingdom. British Government and meat contracts. British potato crop. British apple crop. Paper pulp from South Africa. 3 months' merchant shipping war losses. Big imports of packings and wrappings. Leather in demand.
669	October 24, 1916.....	Condition of British pulp and paper trade. Imports of wood pulp. Further reduction of paper imports. Anglo-Norwegian paper trade. Condition of oil market in Great Britain. Demand for hot water bottles. The English hop crop. Eggs and poultry — railway company's experiment. Nine months' meat imports. Scarcity of potatoes.
672	November 14, 1916.....	British imports of strawboards. Millboard and wood pulp board. Imports of papermaking materials. Demand for waterproof clothing. Canadian and United States hot water bottles. The pitprop trade. Oil from stone-fruit kernels. Demand for turkeys and chickens.

SAMPLES FORWARDED AND RECEIVED.

Samples of various articles have been forwarded to the Department of Trade and Commerce for the inspection of Canadian manufacturers. Samples of manufactured articles have also been received from Canada, and these were inspected in the office or placed in the hands of firms likely to be purchasers.

CATALOGUES RECEIVED.

Many catalogues have been received from Canada, all of which have been brought to the notice of interested importers.

VISIT OF THE CANADIAN GOVERNMENT TRADE COMMISSION.

In the month of August, Birmingham was visited by the Canadian Government Trade Commission. The visit created much interest, and there can be no doubt that fresh enthusiasm for the development of trade between Canada and this district was aroused. The Birmingham Chamber of Commerce gave a luncheon to the Commission, after which an exchange of ideas took place between the various members of the two bodies. Interviews were arranged at the Chamber of Commerce and the Trade Commissioner's offices.

TRADE OF BIRMINGHAM AND DISTRICT.

Birmingham being the great metal centre of the United Kingdom, it is natural that during the war the whole of the plant available should be engaged on munitions. In addition to the permanent plant of normal times, large extensions have been under taken, and many new Government controlled establishments have been erected. Money is plentiful, wages are abnormally high and unemployment, of course, does not exist.

With so much plant and so many factories producing munitions of war, the surprising feature is the maintenance of export trade; and the efforts made to meet the requirements of home, or domestic trade, are indeed remarkable. A shortage of many commodities was apparent throughout the whole of the year 1916, but not until recently has any serious inconvenience been experienced by consumers. That the effect of the war is now being registered in the scarcity of many commodities, there can be no doubt, as is witnessed by the intervention of the Government, particularly in regard to foodstuffs. Imports, exports, consumption and prices are regulated, not only to meet the peculiar economic condition of the country at present, but also as a protective measure against conditions as they are foreseen during the current year.

REVIEW OF GENERAL TRADE, 1916.

Every effort has been made to sustain foreign and colonial export trade, as it is realized that on its maintenance and development is based the means of providing money to meet the financial obligations created by the war. Many obstacles have had to be encountered, and some of them were insurmountable. The shortage of mercantile tonnage, owing to appropriations by the Admiralty and depletion by the enemy submarine campaign, has been most embarrassing to oversea commerce. Enhanced freights, curtailed sailings and congestion at ports have naturally resulted. Inland, there have been difficulties connected with transport owing to shortage of labour and the demands of the military authorities upon rolling stock.

The withdrawal of millions of men from industrial and other enterprises has impeded the conduct of export trade, many exporting firms being compelled to work with staffs reduced by nearly 50 per cent. Certain classes of raw materials previously imported from enemy countries have had to be drawn from other foreign sources, or produced at home.

Against these obstacles, however, there have existed certain helpful circumstances, not the least being, in the language of the British Trade Review:—"Germany had a large oversea trade which has been brought to a standstill by our command of the seas. We are thus enabled to supply many of our enemy's customers, though the conditions of supply already noted limit our activities in this direction in competition with neutrals. The British manufacturer and exporter alike have discovered that in pre-war days they were not working at full pressure, and depleted staffs have in many cases not reduced the output. A stimulus appears to have been given to many of our trades. We are setting our business houses in order as a nation. We find that we have many things as regards organization and research to learn from our enemies. The fiscal problem is being approached with an open mind. Financial facilities for overseas trade have been increased, and associations of exporters in various trades have been formed. The importance of industrial research is being appreciated to a greater extent, not only in departmental circles, but by manufacturers."

IMPORTS DURING 1916.

As no statistics are available illustrative of the import and export trade of the midland counties of England, it is impossible to compile tables relating solely

to the trade and commerce of this district. The following statistics indicate the monthly values of the total imports of the United Kingdom and the increase compared with the corresponding month of 1915.

	Total imports.	Increase.
	£	£
January.....	74,948,241	7,701,850
February.....	67,348,243	2,147,771
March.....	86,092,894	10,630,845
April.....	75,685,362	2,046,780
May.....	83,814,530	12,213,636
June.....	87,036,349	11,027,761
July.....	76,772,371	998,604
August.....	76,113,834	6,715,915
September.....	77,488,368	7,202,131
October.....	81,135,376	13,318,917
November.....	88,922,506	11,300,232
December.....	75,406,306	5,079,391
Totals.....	949,152,679	97,259,329

In connection with the above imports it should be observed that the values are based on c.i.f. prices at port. This is important when studying the question of balance of trade. In these abnormal times, increased values must also be taken into account.

EXPORTS DURING 1916.

The following table illustrates the values of British exports, on the same period basis as the foregoing table. It will be observed that during each month the exports have advanced considerably compared with the previous year.

	Total exports.	Increase.
	£	£
January.....	45,587,339	10,444,282
February.....	44,865,578	11,878,931
March.....	46,409,616	8,166,417
April.....	44,911,288	2,784,501
May.....	58,024,988	14,162,677
June.....	56,147,257	13,563,350
July.....	54,217,978	10,087,677
August.....	55,458,809	15,696,205
September.....	50,598,248	10,725,489
October.....	52,378,370	13,246,972
November.....	49,625,034	5,673,165
December.....	45,947,093	4,297,673
Totals.....	604,154,714	120,224,085

IMPORTS AND THEIR RELATION TO EXPORTS.

The following statistics illustrate the trade balance during the last five years:—

	Imports.	Exports.	Excess of imports over exports.
	£	£	£
1912.....	744,640,631	598,961,130	145,679,501
1913.....	768,734,739	634,820,326	133,914,413
1914.....	696,635,113	526,195,523	170,439,590
1915.....	851,893,350	483,930,629	367,962,721
1916.....	949,152,679	604,154,714	344,997,965

In connection with the foregoing statistics it should be stated that those relating to 1912, 1913, 1914 and 1915, embrace the British fiscal year, and those for 1916, the calendar year, the latter being at present uncorrected totals. The whole of the export figures embrace "British Exports" and "Exports of Foreign and Colonial Merchandise."

THE METAL MARKET.

All metals, both in quantity and in value, have been remarkably influenced by war conditions. In the early part of the year, speculative dealings on the London Metal Exchange were prohibited, and trade was largely subservient to war demands. Prices exhibited astounding increases, that of spelter being the most significant. During the year it reached \$600 per ton, an advance of over 450 per cent compared with the price of pre-war days. The trade has been mainly under the influence of the United States, and that country has taken full advantage of the abnormal war conditions.

IRON AND STEEL.

According to the London Times Annual Financial and Commercial Review, of 1916, "The outstanding feature of the past year in the iron and steel trades has been the gradual assumption by the Government of almost entire control of these vital industries. A grip on the steel trade was taken by the Ministry of Munitions almost immediately following the creation of that Department, and the hold has been tightened until both the manufacture and the disposal of shell and other classes of steel, as well as prices charged, are subject to the most rigid supervision.

"In the case of the iron trade the intervention of the Government came later. The main reason for the assumption of control over the production and the market for pig iron was the same as that which led to the intervention of the Government in the steel trade—the failure of manufacturers to meet the abnormal demands of those engaged in the production of raw material. Steps have been taken to increase the output of Cleveland pig iron, the number of furnaces in blast, which have fallen from 73 at the close of the year 1914 to 67 at the end of the year 1915, having been increased to 76 on December 31 last. Of these 29 are producing Cleveland, 34 hematite, for which the demand has been very pressing, and the remainder other kinds of pig iron. It is hoped that additional furnaces will be put in blast at an early date. The actual output for 1916 is estimated at 3,200,000 tons, which although it exceeds the total make for the previous year, is still much below normal."

A YEAR'S TIMBER TRADE.

The year which has just passed will be looked back upon as a period of great prosperity to the timber trade in general, report Messrs. Churchill and Sim. With the exception of a few weeks in the summer when Swedish shippers abandoned their strict attitude towards the importers, which had postponed the great proportion of the buying usually arranged between January and April until after open water, there was no check to the gradual hardening of values, as it became increasingly apparent that by no possibility was there any prospect of the supply being anything but scarcely sufficient for the wants of consumers on this side in the year 1916. The season under review has been chiefly remarkable for the very high level of delivered values, due again principally to the extraordinary rates of tonnage, but also to the greatly enhanced free on board prices asked for and obtained by shippers, especially from Sweden. The latter, as the main factors in the wood supply, in the continued absence of shipment from Finnish and Russian Baltic ports, have been able to control prices to a large extent. Business has been greatly hampered by a gradual reduction in the supply of labour, and the wood trade is one of those in which any substitution for the strongest class of labour is a physical impossibility. The very high range of values of wood during the whole season has happily discouraged speculation to any extent, and with the exception of some very sharp movements in the rates of freight from the White Sea during the summer, occasioned by causes due to military exigencies, the progress of values has been gradually upward, and buyers and shippers alike have benefited by the course which events have taken.

POSITION OF SUPPLIES.

Discussing the Board of Trade Returns of the import of wood, Messrs. Foy, Morgan and Co. (London) say that the statistics reflect both the restriction and the waste by which commerce is inevitably afflicted under the disturbing conditions of the war. The volume of the supplies has shrunk enormously, being the smallest on record, while the cost has exceeded by several millions even that of the bumper year 1913. The trade has now had the experience derivable from three seasons of war, and it has to be recognized that the sense of satisfaction hitherto justifiably prevalent must now be mitigated by the consideration that it will be well-nigh impossible to sustain the volume of the supplies at a level consistent with the control of prices if these are to be kept devoid of dangerous inflation. Experience has shown that wood goods are requisite in an increasing degree to the efficient prosecution of the war, and the difficulties in arranging the supply are becoming cumulative. During the first season affected by the war the import dropped as regards quantity some 350,000 standards, to about four-fifths of the average pre-war level, while the average cost was only slightly increased. During 1916 the shortage approaches 630,000 standards, which approximately represents a loss of one-third of the annual supply in normal times, while it appears that the average cost has been inflated by no less than 140 per cent.

As the cargoes imported by the Government in requisitioned steamers are not included in the Board of Trade Returns, the volume of these supplies is merely a matter of guess work, but it is generally understood that the quantity has been very large, much greater than in the previous years, especially from Russia and Canada, so that the probability is that, as with sugar and some other staple commodities, the Government would be in a position to release part of their "reserved" stock of wood goods should prices soar to impracticable heights. The following table shows the increase in the average import cost per standard during the last nine years:—

1916.....	£24 10 3	1913.....	£10 9 3	1910.....	£ 9 9 3
1915.....	15 11 0	1912.....	9 18 3	1909.....	9 0 3
1914.....	10 13 0	1911.....	9 9 0	1908.....	8 16 6

It will be seen how stupendous the increase in cost has become, and it may be of interest to point out that in the aggregate, after making allowance for the diminished supplies during 1916, the nation has paid about 10 million sterling more than for a similar quantity in 1915, and $16\frac{1}{2}$ millions more than in 1914. This additional burden of cost is mainly attributable to the enormous increase freights, and although the prices of wood have gradually stiffened at the shipping ports abroad in common with the costs of production throughout the world, it will be no exaggeration to say that at least three-fourths of this extra outlay for wood goods has gone into the pockets of shipowners, chiefly of Scandinavian nationality.

IMPORTS FROM CANADA.

The values of hewn, split or sawn fir imported from Canada were very much higher in 1916 than they were in the previous two years. The following table illustrates quantities and values received during the last three years:—

	Quantities.	Values.
	Loads.	£
1914.....	822,314	2,886,635
1915.....	1,094,813	5,072,898
1916.....	780,213	6,123,564

It will be observed that although the quantity imported last year was 314,600 loads less than in 1915, the value was £1,050,666 greater. The whole of this increased value, however, does not necessarily represent increased profits to the Canadian exporter, as the value includes cost of transportation to British ports which last year was doubtless greatly in excess of that of the year 1915.

IMPORTS OF PAPER IN 1916.

According to The World's Paper Trade Review paper imports during the year 1916 show a decreased quantity and a greatly increased value compared with the two previous years. It is obvious, therefore, that to present values alone would give a fictitious record, indicative of a flourishing state of trade, whereas importers have been subjected to many difficulties in obtaining supplies, also to official restrictions during the greater part of the year, involving a reduction of $33\frac{1}{3}$ per cent from March, increased during the last two months of the year to 50 per cent, based on the imports in 1914. Consequently, whilst paper imports have decreased, prices have jumped up to an abnormal figure. The comparative figures for 1916 and the two preceding years are:—

	1914.	1915.	1916.
	Cwts.	Cwts.	Cwts.
Imports.....	11,817,417	11,726,029	9,377,390
	£	£	£
Imports.....	6,791,191	6,647,268	8,328,846

The actual decrease in the quantity of paper imported during 1916, as compared with 1914, amounts to 20·6 per cent; compared with 1915, the shrinkage is 20 per cent. Making full allowance for the higher cost of raw materials and for paper mill equipment, the operations of the Paper Commission have undoubtedly influenced paper prices in an upward direction. Despite a reduction last year in the imports of paper of 2,440,027 cwts. (20·6 per cent), as compared with 1914, the value shows an increase of £1,537,655 (22·6 per cent).

In reel paper over 55 per cent of last year's supplies was from Newfoundland. Compared with 1914 the receipts from Norway show a reduction of 591,566 cwts.; from Sweden, a drop of 68,496 cwts.; and from the United States, a shrinkage of 50,378 cwts. The total decrease in the imports of reel paper was 1,021,076 cwts. In printings and writings not on reels the imports from the United States were on a much larger scale, but from Norway there was a heavy reduction, and also a decline in the arrivals from Sweden, the total reduction from all quarters, compared with 1914, being 327,625 cwts. Hangings and other printed or coated papers show a reduced import of 56,310 cwts. Out of 3,084,674 cwts. of packings and wrappings received Sweden supplied 1,510,884 cwts. and Norway 1,037,666 cwts.; compared with 1914 Sweden increased her shipments by 291,890 cwts. whilst the arrivals from Norway show a reduction of 146,819 cwts. The imports of strawboards show a small decrease of 68,332 cwts. last year as compared with 1914; mill, and wood pulp boards, a drop of 395,672 cwts.; and unenumerated, a decline of 30,389 cwts.

PAPERMAKING MATERIALS.

From March until the end of the year it was officially stipulated that a reduction be made in the imports of papermaking materials of $33\frac{1}{2}$ per cent, compared with the quantity received in 1914. Taking the whole of last year the reduced imports amounted to 32·7 per cent, whilst the value, owing to the interference to the usual course of trade, shows an increase of 36·4 per cent. Below are given the shrinkages in imports of various materials, and corresponding increases in value of wood pulp and esparto, last year as compared with 1914:—

	Tons.	£.
Chemical wood pulp.....	— 234,429+	1,546,925
Mechanical wood pulp.....	— 99,243+	629,961
Esparto.....	— 34,301+	245,831
Rags.....	— 17,448—	163,277
Other Materials.....	— 10,421—	80,555

Owing to the embargo placed on the exports of chemical wood pulp from Sweden, hitherto the principal source of supply to this country, the scarcity of the article had the effect of sending up prices to an extremely high figure. Although last year the British papermaker received 54·1 per cent less than in 1914, he had to pay 43 per cent more than he did in the year mentioned. The reduction in mechanical wood pulp was 17·8 per cent with an increase in value of 48·3 per cent.

CONDITION OF THE LEATHER TRADE.

The following informative paragraphs on the condition of the leather trade in 1916 are taken from the Annual Financial and Commercial Review of the London Times.

"The leather and allied trades have once again experienced a year of unprecedented activity. The output and eventual consumption of leather of all descriptions have surpassed all previous records, in spite of the fact that the conditions of production have been extremely difficult. The principal difficulty in the path of the manufacturer, has, of course, been the decreasing supply of male labour. This has naturally affected every class of material—from the initial stage of hide preparation to the last stage of the finished articles—boots, accoutrements, and harness.

"The great feature of the year has undoubtedly been the immense demands made upon our boot manufacturers, not only for our own Army's requirements, but for those of France, Serbia, Belgium, Italy, and Russia. The last-named ally placed an order in March for 3,000,000 pairs of boots to be delivered in three months. In addition, there was a very considerable order for sole leather for repairing purposes.

"Towards the end of last April the War Office Contracts Department instructed boot manufacturers engaged on Army work that they were to pay the fixed prices agreed upon for certain grades, and to obtain an allowance of 2 per cent out of the merchant's or factor's commission of 4 per cent. Later they commandeered all footwear sole leathers from 6/8-lb. average. In view of the growing scarcity of sole leather, and also because the lightweights 6/8-lb. and 8/10-lb. were not suitable for Army work, the commandeering of these averages caused a great deal of dissent from both tanners and from boot manufacturers engaged on civilian work; the tanner's grievance was that the Department could not use the leather and would not permit him to sell it, thus keeping him out of his capital, and the boot manufacturer badly wanted the stuff, but was not allowed to purchase it. This little matter was eventually put right in November last, the very brisk dealings therein practically proving the need for the removal of the embargo. On the other hand, the action of the War Office undoubtedly effected a very big saving to the taxpayers.

"One of the features of the trade has been the immense increase in the cost of transport, not only at the receiving points, but also in the actual cost of freight. The official estimate of the annual weight of tanning material to be shipped is given at about 244,000 tons, and the total freight for hides, skins, East India kips, and Colonial leather at about 340,000 tons per annum. It will readily be seen that an advance of 40 to 50 per cent on normal freight rates represents a big item to the home consumer."

AMERICAN LEATHERS.

American sole and upper leathers have also proved a feature of the trade for the past year. The permission given by the War Office (Contracts Department) in February last that American upper leathers could be used for Army boots caused some activity in these leathers. But the chief interest centred in sole leathers, which came in great request consequent upon the commandeering of English sole leathers. The following are the prices current in America during 1915-16 for hemlock, oak, and union backs:—

	1915.	1916.
	Lb.	Lb.
No. 1 hemlock.....	31c.	54c.
No. 1 light oak backs.....	55c.	86c.
Light union backs.....	51c.	80c.

The Contracts Department have recently demanded a census of all American leathers in stock or bought to arrive, and ranch speculation has been indulged in as to the Department's intentions.

THE LIGHT LEATHER SECTION.

This branch of industry has not, in the main, been subjected to Government control; consequently the ordinary laws of supply and demand have been in force, and under the adverse conditions governing the supply values of most classes have provided a great deal of sustained interest throughout the year. The sheep-leather section, and especially skivers, has advanced enormously, until prices to-day would appear to be prohibitive to finishers. Supplies are, however, so small that buyers have to secure whatever is offered, and at the seller's price, in order to keep their factories running. Chamois have also appreciated very considerably, the reasons, of course, in both cases being the shortage and high price of raw material and the shortage of labour, which prevents finishing to a great extent.

Probably no class of light leather has made such abnormal increases in the past three months as East India goat and sheep skins. At each of the first five auction sales for 1916 prices advanced steadily, but it was at the last three (September, October and December) that prices shot ahead quite unchecked. Goatskins, which in September realized 5s. 2d. to 6s. 8d. per lb., brought 12s. to 16s. 10d. per lb., in December. Sheep, which sold in September (same weight per dozen) at 6s. to 7s. 4d. per lb., made in December 12s. 8d. to 13s. 8d. per lb. The main causes were a small supply and heavy demands from America and France.

WHEAT, BARLEY AND OATS.

In its Annual Commerical Review, the London "Times" states, regarding the condition of the wheat market in 1916:—

"The fact that 1916 has been a year of advancing market is not wholly to be assigned to the great war. If we had not been in the midst of a European conflict in 1915 the increase in the world's wheat production from 456 million quarters to 518 millions would have produced, in all probability, the greatest bear raid on record. Wheat might easily have fallen to a sovereign and the British area fallen a million acres. With seriously reduced production in 1916 prices would necessarily have shown recovery, which would have been further stimulated by the grave decline in the areas under cultivation. The war in 1915 saved English cereal agriculture from disaster and caused wheat to open at 55s. on January 1, 1916. The fact that 1917 opens at 78s. for sound red on Mark Lane gives us a 23s. advance pretty fairly explainable as follows:—Reduced world yield per acre+reduced world wheat area+high freights+enemy success with submarines=23s. rise on English and 24s. to 26s. on imported wheat. We may average the rise on all wheat at 24s. per quarter or 3s. per bushel, which usually would entail 16s. to 17s. rise per sack in flour. As, however, since December 1, 6 per cent has been added to the "length" or percentage, of the grist, the advance in flour has been checked. It may be reckoned that the Government by its timely adoption of the standard system of 78 per cent instead of 72 per cent flour has cheapened bread by a penny on the quartern loaf. This, however, has not been all clear gain, for it has only increased the supply of flour by 6 per cent at the cost of diminishing the supply of wheat offals for live stock and poultry by 30 per cent. Bran, which began the year at 170s. per ton, closed at 280s., a rise of 65 per cent."

IMPORTS OF WHEAT AND FLOUR FROM CANADA.

The statistics of the Board of Trade relating to imports of wheat and flour during 1916 are unusually interesting especially from the standpoint of values in relation to quantities. Compared with 1914, the quantity of wheat imported in 1916 (100,068,520 cwts.), was 3,858,223 cwts. less, but £27,277,296 greater in value. Imports from Canada, during the same periods were—1914, cwts., 31,457,090; value, £13,717,995; and in 1916, cwts., 21,549,200; value, £15,243,758. We note, therefore, that whilst the quantity was 9,907,890 cwts. less, the value was £1,525,763 greater.

Imports of wheat meal and flour from Canada during the two comparative years were:—

	Quantity.	Increase.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	3,227,033		1,789,383	
1916.....	4,227,611	1,000,578	3,669,715	1,880,332

The total quantity imported from all sources in 1916, was 99,890 cwts. less than in 1914, but the value was £3,019,086 greater.

IMPORTS OF BARLEY.

Turning to the official statistics relating to barley imports we find a similar advance in prices. The total imports were 16,044,422 cwts. in 1914, and 15,823,700 cwts. in 1916; the values being £5,660,312 and £10,413,138 respectively. The comparison shows a decrease in quantity of 220,722 cwts., and a rise in value of £4,752,826.

The imports from Canada were, 1,942,600 cwts. in 1914, valued at £596,650; in 1916, 2,832,600 cwts., valued at £1,832,233, being an advance of 890,000 cwts.; and £1,235,583.

IMPORTS OF OATS.

The rise in the value of oats is not so marked as in the case of wheat, flour and barley; they have, nevertheless, shared the phenomenal upward move of prices. The quantities and values were:—

	Quantity.	Decrease.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	14,156,715		4,674,417	
1916.....	12,602,600	1,554,115	6,597,577	1,923,160

Imports from Canada during our two years comparative period show an increase in quantity of 6,200 cwts. and an increase in value of £278,059.

PEAS AND MAIZE.

Increased imports of peas and maize from Canada are recorded. Compared with 1914 the increase in the quantity of peas received last year was 4,500 cwts., and in value £7,337. The total imports last year were 991,121 cwts. valued at £1,290,024.

No maize was received from Canada in 1914; the quantity received in 1916 was 2,174,000 cwts. valued at £1,203,315, the total British receipts being 34,154,210 cwts., value, £19,896,157.

BACON AND HAMS.

The prices of bacon and hams advanced considerably during last year. The total quantity of bacon imported in 1914 was 5,098,080 cwts. valued at £18,225,568; in 1916, the quantity was 7,435,955 cwts., valued at £34,381,717. There was a large increase in the quantity received from Canada, the figures for two years being:—

—	Quantity.	Increase.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	342,286	.....	1,224,462	.....
1916.....	1,594,114	1,251,828	7,443,584	6,219,122

Large as was the increase recorded by Canada, it was surpassed by the United States, the statistics relating to imports from that country being:—

—	Quantity.	Increase.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	1,522,958	.....	5,357,458	.....
1916.....	4,004,410	3,481,452	16,848,826	11,491,368

Only a very slight increase is recorded in the quantity of hams received from Canada. The quantity received in 1914 was 58,985 cwts., and in 1916, 60,205 cwts., valued at £217,814 and £264,151 respectively. Last year's purchases from Canada were 55,761 cwts. less than in 1915. Imports from the United States rose from 774,805 cwts. in 1914, to 1,364,024 cwts. in 1915, and to 1,493,606 cwts. last year.

IMPORTS OF BUTTER AND CHEESE.

Imports of butter from Canada, which ceased a few years ago, have grown appreciably during the last three years. From 3,128 cwts. in 1914, they rose to 24,401 cwts. in 1915, and 101,531 cwts. last year. The values for the three years were: 1914, £18,496; 1915, £100,442; 1916, £855,536.

The price of cheese has risen enormously since 1914 as the following statistics demonstrate. Canada still remains the main source of Great Britain's supply.

	Quantity.	Increase.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	1,167,778	.....	4,025,950	.....
1915.....	1,315,177	147,399	5,241,789	1,215,839
1916.....	1,505,018	189,841	7,432,179	2,190,390

IMPORTS OF EGGS.

Prior to the war, enormous quantities of eggs were imported from Russia; but from 6,870,827 great hundreds in 1914 (five months of war period included) imports from that source fell last year to 734,525 great hundreds. Imports from Denmark during the same periods fell from 4,315,900 great hundreds to 1,392,061. Canada more than any other country, took advantage of the situation, and so increased her sales from 361,173 great hundreds to 1,431,778. Decreased supplies naturally meant enhanced prices. In 1914, the total imports of eggs by Great Britain were 17,904,805 great hundreds; in 1916 they fell to 6,606,411, so that there was a shortage of 11,298,394 great hundreds.

Unusually large quantities of Canadian eggs have reached the Birmingham market recently, and both quality and packing have been highly praised.

IMPORTS OF FISH.

For the year 1916 the value of imported fish amounted to the great total of £10,548,623, against £7,760,948 in 1915 and £5,668,055 in 1914, showing an increase over 1915 of £2,787,675, and over 1914 of no less than £4,880,568. The increase was in canned fish, there having been an actual decrease of £253,064 in fresh fish as compared with 1915. The quantity of fresh fish from Norway was 159,001 cwt. against 773,082 cwt. in 1915 and 920,344 cwt. in 1914—a very great difference. The increase last year in the value of the canned fish imported was £3,040,739, and there was an increase in quantity by 356,120 cwt. Tinned sardines were valued at £996,928, an increase of £379,673; canned salmon at £4,890,495, an increase of £1,423,822; canned lobsters, £518,681, an increase of £167,450; canned unenumerated, £1,035,484, an increase of £62,765. The cured fish other than canned showed a large increase—from 485,968 cwt. and £781,965 to 1,117,901 cwt. and £1,848,994, the increase in value being £1,067,029. From Norway was received 343,263 cwt., valued at £498,074, against 135,093 cwt., and £196,593; from the Netherlands, 12,795 cwt., worth £33,876, against 1,898 cwt. and £1,834.

The increases in the quantities and values of canned salmon and canned lobsters received from Canada during the last three years were:—

CANNED SALMON.

	Quantity.	Increase.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	352,177	.....	1,116,368	.....
1915.....	387,171	34,994	1,416,583	300,215
1916.....	479,634	92,463	1,877,788	461,205

CANNED LOBSTER.

	Quantity.	Increase.	Value.	Increase.
	Cwts.	Cwts.	£	£
1914.....	32,919		332,459	
1915.....	38,610	5,691	312,877	19,582*
1916.....	50,109	11,499	500,365	197,488

*Decrease.

Canada continues to be almost the sole source of canned lobster supplies, but she is still second to the United States in the supply of canned salmon. Imports from the United States rose from 510,330 cwt. valued at £1,390,842 in 1914, to 850,745 cwt. valued at £2,762,188 in 1916.

PREPARATION FOR AFTER-WAR TRADE.

As Canada is at present considering its after-war trade policy, the following notes describing the efforts now being made by British commercial men, may be interesting:—

A special committee which was appointed by the Executive Council of the Association of Chambers of Commerce to consider the question of the reform of the Consular Service has recently issued its recommendations. These are as follows:—

(a) That every paid British Consular officer should be not only a British subject, as is the condition at present, but he should be of also British birth and descent. No officer should be retained in the Service who is married to a person of enemy origin; (b) that the same conditions should apply, as a general rule, in the case of every unpaid British Consular officer. If in exceptional cases any unpaid officer appointed to such a position should not be of British birth and descent, then such officer should be placed under the direct control and frequent supervision of a superior officer of British birth and descent; (c) that in the future under no circumstances whatever should any subject (including any one who has become naturalized) of a Power now at war with this country be appointed to any position in the Consular service. It is also recommended that the Consular Service should be divided into two branches. The first of these would be administrative, and the officer would include among his duties the administration of the Merchant Shipping Acts, the giving of advice and assistance to British subjects in the district, and the relief and repatriation of distressed British subjects. The second branch would furnish reports, with statistics, of the trade of each district, and lists for the Board of Trade of possible buyers of British goods, and of manufacturers, would reply to inquiries addressed by the Board of Trade and by British subjects, and carry out other duties which might be considered necessary in the interest of trade and commerce. Further it is suggested that a Consular career should be rendered more attractive to young men, and that more adequate provision should be made for the clerical staff at Consular posts. It is also recommended that apart from the existing commercial attaches, whose activities cover wide areas, a new class of officer should be created who might be called commercial intelligence officers. It would be the duty of these officers to take over much of the work relating to trade and commerce now assigned to Consular officers and to devote themselves to the work of developing and expanding British trade and commerce. It is further recommended that a chief commercial intelligence officer should be appointed to each country, and that he should receive regular reports from the

officers under him and from these prepare special report at least once a quarter dealing with the trade of the whole country in which he is stationed, or, where necessary, of a large area of a country. Special information secured by these officers should be made available immediately on its receipt to commercial bodies and firms in this country through the present channel of communication—the Commercial Intelligence Department of the Board of Trade or through the proposed Ministry of Commerce when formed.

The scheme for the establishment of a commercial intelligence service is also included in the programme of the Federation of British Industries. The Federation recommends that really efficient machinery should be established to co-ordinate the work of the Foreign Office and of the Department in charge of industrial and commercial affairs. Like the committee just referred to, the Federation suggests that the activities undertaken by the Government in connection with the promotion of British trade in foreign countries should be concentrated in the Foreign Office. The Federation also recommends that the commercial duties of the Foreign Services should include: (a) The direction of all services abroad; (b) the collection and distribution of all industrial, financial, and commercial information relating to foreign countries; (c) the prompt and vigorous support of all British efforts to secure contracts, concessions, or orders; (d) advice to the Department in charge of industrial and commercial affairs on all questions in the United Kingdom which may affect foreign trade; (e) advice to His Majesty's Government as to the conditions on which they should permit the issue of foreign loans in the United Kingdom.

EXTENSION OF BRITISH TRADE COMMISSIONER SERVICE.

A fortnight ago at a meeting of the Advisory Committee of the Board of Trade, it was decided to increase the number of permanent British Trade Commissioners located in the various Dominions. It is understood that these new Trade Commissioners will be appointed without loss of time, and instructed to proceed to the chief commercial centres of Canada, Australia, New Zealand, South Africa, etc. The whole of their time is to be devoted to the duties of their respective offices.

GREAT BRITAIN.

REPORT OF TRADE COMMISSIONER.

(*Mr. Norman D. Johnston.*)

BRISTOL, January 25, 1917.

EXTENT OF TERRITORY AND PRINCIPAL CITIES.

This office has jurisdiction over the south west of England and South Wales. Eight counties are included in the southwest of England, viz., Cornwall, Devon, Dorset, Gloucester, Hereford, Somerset, Wilts and Monmouth, with a total of 6,719,598 acres, and a population at the last census in 1911 of 3,241,999 persons. The South Wales district, comprising the six counties of Brecknock, Cardigan, Carmarthen, Glamorgan, Pembroke and Radnor, consists of 2,619,819 acres, with a population in 1911 of 1,513,028. The whole territory therefore comprises fourteen counties with a total of 9,339,417 acres and 4,755,027 of a population.

Bristol is the largest city, having a population of about 363,312 persons, but there are several other places of importance in the district, including Plymouth with 199,148 of a population, Cardiff with 188,495 persons, Rhondda

with 156,260 people, Swansea with 121,665 inhabitants, and several other cities with populations ranging from 90,000 to 35,000, among which may be included, in order of population, Newport, Merthyr Tydfil, Bath, Exeter, Aberdare, Swindon, Gloucester, Cheltenham, Torquay and Poole. There are also numerous other towns with populations below 35,000 persons, which provide good markets for the sale of Canadian products.

As the commercial position of Bristol and the importance of the Port as a distributing centre for commodities of all kinds to the south and southwest of England, the Midlands and South Wales, are not generally known in Canada, it is hoped that a brief summary of Bristol's commercial history, a synopsis of the dock facilities, and a statement of the position of the Port as a distributing centre, before attention is directed to the trade of the Port, the industrial conditions of the district, as well as the work of the office, will not be taken amiss.

COMMERCIAL HISTORY OF BRISTOL.

Bristol is a city of great antiquity but its origin is lost in a cloud of legend. The first authentic evidence of its existence is found in a coin of Ethelred the Unready (979-1016) which was minted at "Bric", a contraction of Bristol, and it seems unquestionable that by that time the town had grown to some wealth and importance. During Plantagenet times the city greatly prospered, and under the Lancastrian Kings the wealth and enterprise of the Bristol merchants greatly developed, their commerce extending from Iceland to the Levant. From the Bristol City Docks, Cabot sailed in a Bristol ship with a Bristol crew, which resulted in the discovery of the mainland of North America.

A decline in prosperity took place during the reign of the Tudors and there was no change for the better until the conquest of Jamaica, the acquisition of other West Indian Islands and the growth of the American Colonies. Commerce then expanded quickly in new channels, although the famous cloth trade gradually decayed. The direct intercourse with the New World was lucrative, but the profits were not comparable with those arising from the export of English goods to Africa for the purchase of slaves, the sale of the captives to the West Indian Planters, and the freight homewards of rich cargoes of sugar and other tropical products. The abolition of the slave trade however, coupled with the loss of the American Colonies reduced the trade of the Port by fifty per cent, and towards the end of the eighteenth and beginning of the nineteenth centuries the city seems to have fallen into a state of decay.

In 1838 the S.S. "Great Western", the first steamship to cross the Atlantic was launched and sailed from the Bristol Docks, but instead of building other ships of a similar class, thus establishing the lead in the American steamship service, the ill-fated "Great Britain" was built, and the Port was supplanted in this trade by Liverpool. For a period of thirty years nothing was done to retain the old reputation, but with the construction of the Avonmouth and Portishead Docks and their acquisition by the corporation in 1884 a brighter era dawned, and during the last thirty years the trade of the Port has steadily increased.

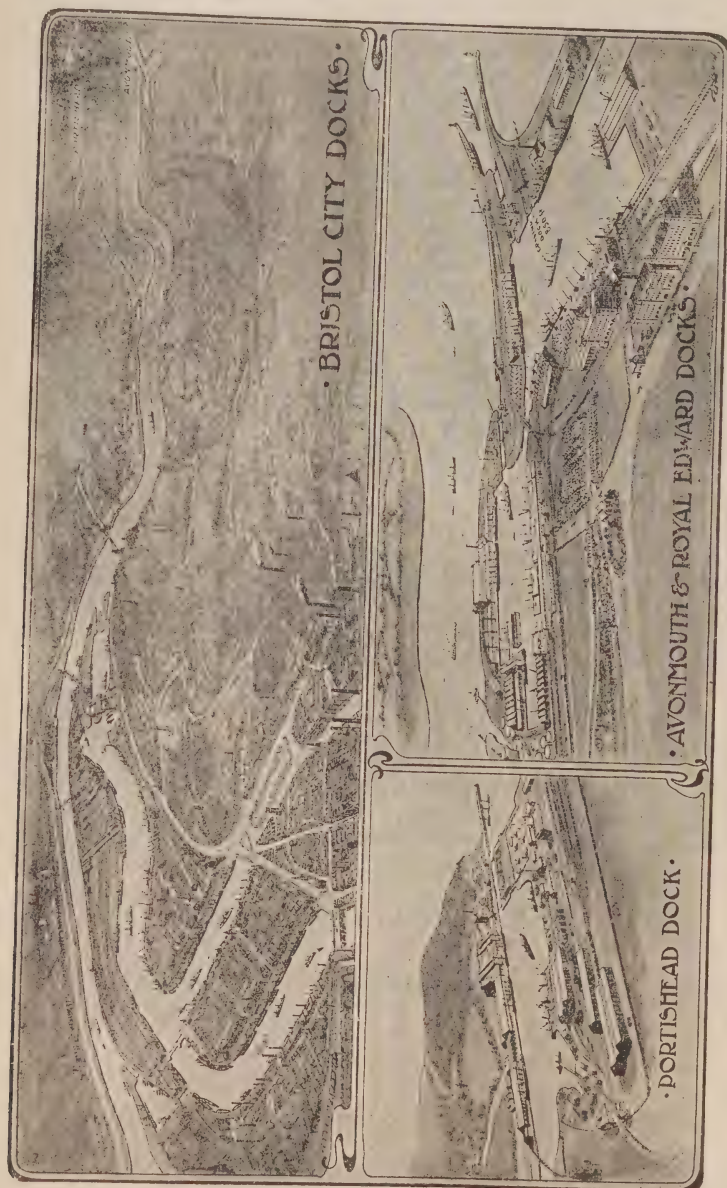
FACILITIES OF THE PORT.

Large sums of money have been expended upon the improvement of the various docks, and of the navigation of the Avon. On account of the increasing size of steamers engaged in overseas trade the King Edward Dock was built and opened in 1908 alongside the Avonmouth Dock. The Port therefore possesses the City, Portishead, Avonmouth and King Edward docks, and a brief summary of each of these docks will probably be of interest.

The City Docks can be used by vessels up to 350 feet in length. The water area amounts to 83 acres and the length of the quay to 4,898 yards. Some of the chief timber importers of the city have extensive yards contiguous to the wharves. These docks are used by the New York Liners, and by the Continental

Lines, trading with ports in Norway, Sweden, Russia, Netherlands, France, Spain, Portugal and the Mediterranean. The Scotch, Irish, Channel Islands and Coastwise services also use these docks.

The Portishead Dock has an entrance lock 472 feet in length, an area of twelve acres, and a wharfage of 943 yards. Special provision has been made for dealing with grain and timber cargoes. The sheds will accommodate 100,000 quarters of grain and the granary has a storage capacity for a further 60,000 quarters, while the timber wharf is 600 feet long with a stacking ground of about ten acres in extent. A large installation has also been established for the importation, storage and distribution of motor spirit.



The Bristol Docks.

The Avonmouth Dock has an entrance lock with a length of 488 feet, and is connected with the Royal Edward Dock by a junction cut, 85 feet wide. The area of the dock is 19 acres with a wharfrage of 1,600 yards in length, and a shed accomodation of about 20 acres.

The granary, fitted with elevators and bands, has a storage capacity of about 50,000 quarters. The transit shed, lairage and slaughter house are quite extensive and the cold stores have a capacity of 374,000 cubic feet, accomodating about 2,500 tons. A new store in course of construction will double the accomodation for frozen produce. A fruit store and warehouse have been provided for the West India trade, and twenty-seven oil tanks, with a storage capacity of 12,000,000 gallons have been built for the reception of petroleum.

The Royal Edward Dock affords accomodation for the largest vessels, having an entrance lock of 875 feet long by 100 feet wide, with a depth of water on the sill of 46 feet at ordinary spring tides and 36 feet at ordinary neap tides, and a water area of 30 acres, capable of great extension to allow for growth of trade. The length of the wharfrage at present sanctioned amounts to 1,464 yards. There is a graving dock of 914 feet in length over all, and 850 feet on blocks, and also extensive shedding and storage accomodation, powerful cranes and a granary capable of holding 50,000 quarters of grain. A passenger station is also provided, whence the journey by rail to London or Birmingham can be accomplished within two hours.

BRISTOL AS A DISTRIBUTING CENTRE.

The unique position of Bristol as a deep-water port situated far up the Bristol Channel, gives it an extensive serving area in all directions, and the fine dock facilities, together with good rail and water connections afford exceptional advantages for the distribution and collection of merchandise to and from all parts of the United Kingdom. All the ocean steamship berths are directly connected by the dock lines with the Great Western and Midland Railway Companies, and through them with the whole railway system of Great Britain. Merchandise of all kinds can therefore be quickly despatched to London, the Midlands, South and South West of England, South Wales and other points.

Another means of communication is supplied by the regular Continental and Coasting Lines of Steamers plying to the Port. By means of the Coasting steamers, especially those in the daily service to Cardiff, Newport—both reached within two hours—and Swansea, closest communication is maintained with the populous mining districts of South Wales. Large and increasing quantities of grain, provisions and general merchandise are distributed by these means. In addition there are vessels constantly trading by means of the Severn Navigation, and the canals allied therewith, to Lydney, Stroud, Sharpness, Gloucester, Tewkesbury, Worcester, Newnham, Droitwich, Stratford-on-Avon, Stourport, Kidderminster, Birmingham, Wolverhampton, Walsall and the surrounding districts; also by means of the Feeder Canal and River Avon navigation to Bath and places beyond.

The large population which can advantageously be reached through the Port of Bristol is shown as follows:—

Within a radius of	50 miles	2,500,000 persons.
“	75 “	5,120,000 “
“	100 “	10,000,000 “

DISTANCES TO PRINCIPAL PLACES.

The length of time taken in going to or from Bristol and a number of the principal towns in England and Wales is given in the appended map for the use

of Canadian manufacturers or their agents who are contemplating a trip to the United Kingdom in order to make connections with a view to future trade.



Map showing distances between Bristol and Important Towns.

As a faster train service is maintained between some places than others, the following are the railway distances in miles between Bristol and the towns mentioned in the above map:

Bristol to	Miles.	Bristol to	Miles.	Bristol to	Miles.
Birmingham.....	91 $\frac{1}{2}$	Leeds.....	197	Norwich.....	223 $\frac{1}{2}$
Bradford.....	197	Liverpool.....	164 $\frac{1}{2}$	Plymouth.....	128
Cardiff.....	42	London.....	117 $\frac{1}{2}$	Sheffield.....	166 $\frac{1}{2}$
Dover.....	193	Manchester.....	162	Southampton.....	81 $\frac{1}{2}$
Fishguard.....	159 $\frac{1}{2}$	Newcastle.....	291	Swansea.....	87 $\frac{1}{2}$
Harwich.....	189	Newport.....	34	York.....	207 $\frac{1}{2}$

LOCATION OF TRADE COMMISSIONER'S OFFICE.

The Canadian Trade Commissioner's office is located on the second floor of one of the best office buildings of Bristol, facing the Tramways Centre, where

a great number of the electric car lines from all parts of the city converge. The office is therefore situated in the heart of the city within easy reach of Bristol firms.

ACTIVITIES OF THE OFFICE.

General Matters.—Although the primary duty of the Trade Commissioner is in respect to trade matters, numerous inquiries have been received with reference to subjects quite foreign to questions of trade, which were answered with all possible consideration and courtesy. The development of Canadian Trade and Commerce is, however, the principal objective and every effort has been made to obtain this end. The activities of the office were many, but the following will serve as examples.

Possibilities for Canadian Products Inquired Into.—Several inquiries were received from Canadian manufacturers respecting the possibilities of introducing their products on the market and careful investigations were made in order that the manufacturer in Canada might have a correct view of the situation.

Canadians put in touch with Importers.—Canadian manufacturers wrote, asking to be put in touch with importers in this district. In cases of this kind the matter was referred to all persons likely to be interested and the names and results submitted to Canada.

Reports sent to Canada.—Inquiries were constantly being made in order to ascertain the goods in demand, the usual sources of supply, kinds, sizes and quantities required, and other information, and anything of interest to Canadian manufacturers was sent in detailed reports to the Department of Trade and Commerce and published in the Weekly Bulletin.

Trade Inquiries Despatched.—A large amount of correspondence was maintained with British importers and numerous interviews were held, and when a firm stated a desire to obtain certain supplies from Canada, a trade inquiry was sent for publication in the "Weekly Bulletin" in order to attract the attention of manufacturers in a position to export. Canadians should watch these inquiries very carefully for possible trade openings.

Papers and Journals gone through.—A great deal of time was spent in going through Canadian and British papers and trade journals in order to be familiar with developments in Canada and conditions in the United Kingdom.

Official Publications Distributed.—Official publications, including "Canada, the Country of the Twentieth of the Twentieth Century," were sent to persons and places where they would be most useful and Canada would be best advertised. Many very complimentary remarks were passed on these books and they were much appreciated.

Bills of Entry Watched.—The Bills of Entry of goods imported into Bristol were closely watched and when products which Canada might supply were imported from other countries a note was made of the fact in order that the importer might be induced to try the Canadian made article.

Visits to Canadian Soldiers.—A number of visits were also paid to Canadian wounded soldiers in the hospitals and they have been provided with Canadian papers and other reading matter.

Activities of the Community.—It has been the endeavour to enter as much as possible into the life of the community in order that possible trade openings might be discovered and that the office might be advertised.

REPORTS AND SAMPLES SENT TO OTTAWA.

The present Trade Commissioner was resident in Bristol for only the last seven months of the year, and during that time several reports were submitted to the Department of Trade and Commerce, Ottawa, and published in the "Weekly Bulletin." Special attention is directed to the following subjects which appeared

in certain numbers of this Bulletin. In numbers 651 and 665 the trade between Canada and the Port of Bristol was dealt with in detail. In No. 656 information was given, among other matters of interest, respecting dried green peas and fruit pulp, such as the position of the market, varieties previously imported and sources of supply, prices and the possibilities for peas and pulp of Canadian manufacture. In No. 661 detailed matter was given with regard to the demand for corset fittings, rough sketches for illustrative purposes were shown, and samples were forwarded to the Department. The openings for wood pulp board and tubs, as well as for chocolates were also pointed out in this report. In No. 669, a summary of the trade in bolts, nuts, screws and nails was submitted, showing, among other things, the amount of imports, sources of supply, kinds and sizes in demand, and ruling prices of these commodities. Samples were sent to Ottawa. In No. 672 the possibilities for the supply of wooden toys were emphasized, giving the imports, the likely competitors and the essentials of the trade. The market for macaroni and vermicelli was also shown. In No. 672 the place of importance in the report was given to the market for canary, sunflower, hemp and millet seeds, and samples were forwarded to the Department, while other information was also given, such as the extras on German wire nails before the war, the world's wheat crops, the demand for grocery supplies and a digest of what was being done to increase food supplies in the United Kingdom. Other matters were given in these reports, but space will not permit of their mention in detail.

CORRESPONDENCE.

Correspondence took place with persons in Canada and the United Kingdom on a great variety of subjects. The total number of letters received during the year was 781 and despatched 1,689, making a total of 2,470 letters. As the present Trade Commissioner was resident in Bristol for only the last seven months, the following will give an idea of the correspondence done during that time:

	Letters Received.	Letters Despatched.
First five months.....	162	221
Last seven months.....	619	1,468
Total for the year.....	781	1,689

In addition to the above there were 67 parcels, consisting of papers, official publications, etc., despatched from the office during the year.

INTERVIEWS.

Interviews were held with reference to many different subjects to the total number of 566, of which 45 took place during the first five months and 521 during the last seven months.

TRADE INQUIRIES.

The number of Trade inquiries sent to the Department of Trade and Commerce, Ottawa, during the seven months for goods required in this district was 129. The amount of work this entailed will be realized when it is stated that only 81 trade inquiries were sent from this office during the six years 1910 to 1915 inclusive.

ROOM FOR SAMPLES AND CATALOGUES.

It is planned to devote a room in this office to the exhibition of samples of products manufactured in Canada together with catalogues. When these are received, merchants in this district will be notified and inspection invited. Canadian manufacturers are therefore asked to send samples, catalogues, price-lists, and any other information, and everything possible will be done to bring them to the notice of interested firms.

CANADIAN AND BRITISH LITERATURE AVAILABLE.

The Canadian trade journals, which the publishers kindly furnished gratuitously, Canadian papers and other literature respecting Canada, were placed in full view of persons entering the outer room of the office for their perusal. Official publications, books and any other information regarding Canada were also furnished willingly on request.

The illustrated journals and newspapers were passed on to Canadian wounded soldiers in the hospitals and were greatly appreciated.

British trade journals and papers were also available for the use of Canadians and others interested.

VISIT OF SPECIAL TRADE COMMISSION.

During the year, the special Canadian Trade Commission, appointed by the Right Honourable Sir George E. Foster to investigate trade conditions in France, Italy and the United Kingdom, visited Bristol. Interviews were arranged with representatives from the different trade associations and firms in the district in order that matters pertaining to important specific trades might be discussed. The Commission was also taken round the Bristol docks, and by means of lunches and a dinner at the Mansion House given on their behalf, they were able to meet a number of the principal people and discuss trade relations between Canada and this district. It is hoped that great good will result from this visit.

NEGLECT OF CORRESPONDENCE BY MANUFACTURERS.

It has been brought to the notice of this office very often that certain Canadian manufacturers do not answer letters when an answer is required. If Canada expects to work up a large and continuous export business it is absolutely necessary that a high opinion of Canadian business methods be established on this side, and the reputation of Canadian producers in general is very much harmed by the non-attendance of some firms to necessary correspondence.

REPRESENTATION.

Every day accentuates the importance of good representation of Canadian manufacturers in the United Kingdom. If Canadian exporters expect to establish their lines successfully and permanently on this market they must either send capable representatives who have a thorough knowledge of their goods or appoint a well known and reliable agent in this country with, if possible, a practical experience of the products to be sold. Most business in this district is done through agents or representatives and a disinclination is shown to deal direct with outside countries.

STEAMSHIP SERVICE BETWEEN CANADA AND BRISTOL.

During the year the Cunard Steamship Company acquired the shipping interests of the Canadian Northern Company, and have inaugurated a service between Bristol (Avonmouth) and Canada, running to Montreal and Quebec in the summer and Halifax in the winter. This line, together with the steamships of the Canadian Pacific Ocean Services, Ltd., which run to Montreal and Quebec in the summer and to St. John, N.B., in the winter, and those of the Dominion Line, which run to Montreal and Quebec in the summer, and Portland, Me., in the winter, ought to give a much better and more regular steamship service.

SHIPBUILDING AT CHEPSTOW.

An important development took place during the year in the formation of a company under powerful auspices to build standardised ships at Chepstow, River Wye, about two miles from the Bristol Channel. Further particulars respecting this scheme may be seen in a report from this office which appeared in *Weekly Bulletin* No. 656. Unfortunately the scheme has been handicapped by the difficulty of securing sufficient skilled labour, but there is no doubt that it has been extremely effective in demonstrating the possibilities of standardization.

TWELVE MONTHS' TRADE OF THE PORT.

The figures relating to the trade of the Port of Bristol with all countries and with Canada, which have been obtained through the courtesy of the Docks Office, show that the total trade of the port during the year 1916 amounted to 1,666,489 tons. The imports from all countries were 1,519,965 tons, of which Canada supplied 274,827 tons, and the total exports were 146,524 tons, of which 12,105 tons were shipped to Canada. The quantity of goods coming from Canada therefore amounted only to 18 per cent of the total imports, and the Dominion was a market for only 8 per cent of the products sent from Bristol.

THE GRAIN TRADE.

The year 1916 has been a period of advancing markets in the grain trade. This may be ascribed largely to five causes:—

- (1) The reduced world area under grain.
- (2) The lower world yield per acre.
- (3) The high freight rates.
- (4) The scarcity of tonnage, and
- (5) The submarine menace.

Wheat.

The increase on English wheat has been about 23 shillings (\$5.60) and on imported wheat from 24 to 26 shillings (\$5.84 to \$6.33) per quarter during the year. At the beginning of 1916 the chief sources of supply were Canada and the United States, but good quantities were being received towards the end of the year from India and Australia. The price of wheat on January 1, 1916, for the best Canadian was 67 shillings (\$16.30), the five other grades being one shilling less (24 cents) in order, and for Argentina 63 shillings (\$15.33) per 496 pounds, while the English red sold for 55 shillings (\$13.38) per 480 pounds. A remarkable fall in price took place in June and July on account of the belief that the wheat supply, with approaching new crops, was greater

than the demand. A contrary opinion that the new crops would be deficient, however, caused a reversal in August and the prices continued to advance until the end of the year, the Government intervening at the end of November with good results. The price of wheat at the end of the year was 93 shillings for the best Canadian (\$22.63) the five other grades being one shilling (24 cents) less, and 87 shillings for Argentine (\$21.17) per 496 pounds, and 78 shillings (\$18.98) per 480 pounds for English red.

Barley.

Feeding barley is much in demand and prices have risen tremendously on account of the high freights from South America, while the North American crops are poor, and the Indian surpluses are kept back by the preference which the Indian Government has accorded to wheat in tonnage. The English average rose from 48s. (\$11.78) in January to 68s. (\$16.55) at the end of the year, while foreign feeding barley increased from 41s. (\$9.97) to 66s. (\$16.06) per 400 lbs., and the supply has fallen below the needs of the country. The scarcity of malting barley has also been increasing steadily and on December 1st the Government was forced to forbid the use of wheat as a cereal in the brewery. In 1917 reliance on maize in the distillery is considered likely to show a great increase, while brewers are turning to oats. At the last markets of 1916 malt fetched the unprecedented price of 93s. (\$20.20) per quarter.

Oats.

Good heavy oats which had been quoted at 11s. (\$2.68) per cwt. on January 1st sold at the end of December for 18s. (\$4.38), and the rise on ordinary 312 lb. oats was from 31s. to 46s. (\$7.55 to \$11.19) per quarter in the same period. Oatmeal at the end of the year was costing 33s. (\$8.03) per cwt., while at the end of 1915 the price of good oatmeal was only 23s. (\$5.60).

Maize.

In connection with the supply of maize shortage of tonnage has been an important factor. The slow shipment of the United States crop caused the price to increase from 47s. to 51s. (\$11.43 to \$12.41) in January. The American reserve was abated later on and 46s. (\$11.19) was accepted in April. The price then fluctuated from 53s. (\$12.87) in May to 42s. (\$10.22) in July, on account of shipments from Argentine. This was the worst price of the year and in August, September and October the price ranged from 50s. to 53s. (\$12.16 to \$12.89). Tonnage difficulties, however, raised the price to 56s. (\$13.62) at the end of October and then week by week up to 66s. (\$16.06) at the end of the year. Some supplies were obtained from North and South Africa as well as North and South America.

IMPORTS OF GRAIN INTO BRISTOL.

Bristol is a large grain importing centre and there are several importers who have been dealing with Canada and other countries for years. Grain is the largest item of import into the Port, 654,166 tons having entered during 1916. This, however, is the lowest figure for a number of years, the imports of grain during the years 1915, 1914 and 1913 being 753,308, 808,665, and 862,079 tons respectively. Of these amounts Canada supplied 153,874 tons in 1916, 101,986 tons in 1915, 329,439 tons in 1914 and 265,560 tons in 1913.

The following table will indicate the specific items of grain imports into Bristol from all countries and the share of the trade obtained by Canada in the year 1916:—

Grain.	From All Countries.	From Canada.
	Tons.	Tons.
Barley.....	129,438	25,897
Maize.....	106,387	15,063
Oats.....	70,914	19,907
Wheat.....	344,212	93,088
Other kinds.....	3,215	6
Totals.....	654,166	153,961

FLOUR AND MEAL IMPORTS.

The flour and meal imports into the Port of Bristol from all countries greatly declined in 1916, the quantity entering being 24,716 tons, as compared with 74,002 tons in 1915, 44,652 tons in 1914, and 47,535 tons in 1913. Although the total imports were greatest in 1915 yet Canada supplied almost equal amounts in 1915 and 1916, the import in the former being 10,441 tons and in the latter 10,446 tons. This, however, is a large decrease in comparison with previous years, as 26,758, 21,225 and 20,657 tons were shipped from Canada during the years 1914, 1913 and 1912 respectively.

The total imports of flour and meal into Bristol from 1912 to 1916, together with the annual share of the trade obtained by Canada are as follows:—

Flour and Meal.	1912.	1913.	1914.	1915.	1916.
	Tons.	Tons.	Tons.	Tons.	Tons.
From All countries.....	47,508	47,535	44,652	74,002	24,716
From Canada.....	20,657	21,225	26,758	10,441	10,446

THE FLOUR AND MEAL TRADE.

Milling in this district has been carried on with difficulty owing to war conditions and the price of flour and bread has risen, principally caused by heavy freight and insurance charges. During the autumn the short crops in North and South America told heavily on shipping as much longer distances had to be traversed to get the supply, and the increased price of wheat caused a consequent advance in flour and bread. The Government, however, assumed control in December and it is hoped that the result will be satisfactory. With an average rise on all wheat of about 24s. (\$5.84) per quarter, or 3s. (73 cents) per bushel, a rise of 16s. to 17s. (\$3.89 to \$4.14) per sack of flour would be entailed. As, however, since December 1st six per cent has been added to the percentage of the grist, the advance in flour was checked. It is reckoned that the Government by its adoption of the standard system of 78 per cent instead of 72 per cent flour has cheapened bread by two cents on the quarter loaf. This regulation has increased the supply of flour by 6 per cent at the cost of diminishing the supply of wheat offals for live stock and poultry by about 30 per cent.

Bran, which began the year at 170s. (\$41.36) per ton, closed at 280s. (\$68.13) a rise of 65 per cent. The prices at the end of the year of English Milled Government Grade flours were from 59s. to 61s. (\$14.35 to \$14.84). Canadian and American flours were not offered on spot, patents for shipment were quoted at 61s. to 62s. (\$14.84 to \$15.08) and Canadian bakers' grades were 58s. 6d. to 59s. 6d. (\$14.23 to \$14.47).

CONDITIONS IN THE PROVISION TRADE.

In the provision trade during the past year there have been, largely owing to war conditions, three predominating features, the inflation of prices, difficulties of marine transport and scarcity of labour, with curtailed railway facilities as a consequence. This last feature was more intensely felt in clearing the port of the steamer cargoes, so much so that on several occasions considerable quantities of these goods had to be barged up from Avonmouth, causing greater cost and much trouble to the importers. The increase in prices was caused chiefly by the extra cost of transport, the largely increased demand and the competition for Army requirements. The earnings of all classes of labour were abnormal, creating a much larger purchasing power in those classes of the community who are the greatest consumers of these goods. For many years before the war, a number of Bristol firms had been largely interested manipulating and preparing the raw imported produce both for home and export consumption, and at the beginning of the war were able and ready to supply the troops with exactly what was required and as the army and navy were increased, the facilities were extended to meet the demand and consequently a very large business has been retained by Bristol.

IMPORTS OF PROVISIONS IN 1916.

If butter, cheese, lard, eggs, bacon and hams, salted, frozen and canned meats are included in the term provisions, the total imports into the Port of Bristol during 1916 amounted to 51,702 tons, of which 30,404 tons, or 58.8 per cent were shipped from Canada. The following table will indicate the quantities imported from all countries and the share obtained from Canada:—

Provisions.	From All Countries.	From Canada.
	Tons.	Tons.
Butter.....	1,371	872
Cheese.....	14,063	10,001
Lard.....	10,065	3,958
Eggs.....	288	181
Meats—		
Bacon and Hams.....	16,039	13,891
Salted.....	191	55
Frozen.....	8,893	1,001
Canned.....	792	445
Total.....	51,702	30,404

TRADE IN BUTTER.

The imports of butter into Bristol being 1,371 tons in 1916, a considerable increase is shown over most former years, as 996 tons were imported in 1915,

775 tons in 1914, 515 tons in 1913 and 653 tons in 1912. In the year 1911, however, butter imports amounted to 2,066 tons, and Canada supplied 1,722 tons, but in 1912 none came directly from Canada, while 105,190, and 245 tons came from the Dominion in the years 1913, 1914, and 1915 respectively. It will therefore be seen that the importation from Canada of 872 tons in 1916 is more than $3\frac{1}{2}$ times the importation in 1915, and about $8\frac{1}{2}$ times that in 1913.

The people of Great Britain like butter with less salt than is generally used in Canada, from 1 to $2\frac{1}{2}$ per cent being preferred. The packing, size and marking of Canadian butter is satisfactory although it is stated here that a penny additional spent on parchment paper is worth a shilling in the price of butter. Block butter is not in demand as it makes too many outsiders in shipping. Danish butter is more delicate than that from Canada and is used more extensively in the north of England, where the taste is for flavourless butter. Large quantities of Danish butter are imported, but it has to be used immediately. Canadian and New Zealand butter are on a par but they come into the country at different times. As an indication of the great increase which has taken place in the price of butter, Danish, which was 131s. (\$31.88) at the beginning of 1914, and 153s. (\$37.23) on January 1st, 1916, was 219s. (\$53.29) per cwt. on December 31st, 1916, while Australian fine butter which was 114s. (\$27.74) and 143s. (\$34.80) at the beginning of 1914 and 1916 respectively, was 208s. (\$50.62) per cwt. at the end of 1916.

THE CHEESE TRADE.

The imports of cheese into the Port of Bristol have been declining somewhat each year for the last five years. The amounts received in 1912-13-14-15 and 1916 were 19,665, 16,796, 15,759, 15,214 and 14,063 tons respectively, while the quantities received from Canada during each of these years in order were 15,436, 12,109, 8,892, 11,258 and 10,001 tons. The price of cheese also advanced tremendously, and English Cheddar, which was 82s. (\$19.96) at the commencement of 1914 closed the years 1915 and 1916 at 101s. (\$24.57) and 138s. (\$33.58) per cwt., or an advance in 1916 of 37s. (\$9.01) per cwt. Canadian cheese showed a similar increase, having risen from 67s. (\$16.30) at the beginning of 1914 to 94s. 6d. (\$23.00) on January 1st, 1916, and to 133s. (\$32.36) on December 31st, 1916, or an increase of 38s. 6d. (\$9.37) per cwt. in the year 1916.

THE MARKET FOR BACON AND HAMS.

The bacon business in Bristol has been far more normal and steady than that of cheese or butter. Although bacon and hams are considerably above normal values, yet they are, relatively, nothing like cheese and butter. Bacon is not imported into this country cured, prepared and packed in such a way that it can be delivered as imported, and the buyers here prefer bacon in a mild condition.

In the bacon and hams imported into Bristol the quantities shipped from Canada show up very favourably. Out of a total importation in the years 1912-13-14-15 and 1916 of 8,244, 5,906, 5,183, 16,403 and 16,039 tons respectively, Canada sent 7,662, 4,942, 3,032, 10,810 and 13,891 tons during each of the years in order.

CANNED, FRESH AND FROZEN MEATS.

The table of provision imports showed the quantities of salted, frozen and canned meats shipped from Canada as compared with the total imports into Bristol from all countries during the year 1916. In considering the imports

into the whole of the United Kingdom the figures for the twelve months are not available, but the arrivals of canned meats during the first eleven months of 1916 were below those in the same period of 1915, but considerably in excess of the quantity imported in 1914. The imports of beef and mutton were less, but supplies of other descriptions denoted a small increase. Supplies of meat have been received from all sources to meet the demand in the United Kingdom and the requirements of the British army and navy, as well as to furnish certain needs of some of the Allied forces. Prices have reached an unprecedented height, and it is believed that the shortage will be accentuated. The supply of fresh and frozen meat has fallen below normal. The arrivals of fresh beef into the United Kingdom in the first eleven months of 1916 were 6,453,560 cwt., contrasted with 7,971,525 cwt. in the same period of 1915, and 8,174,404 cwt. in 1914. Supplies from Argentine fell to a considerable extent, both as regards chilled and frozen beef, and Australia also sent much less, while there was a small increase from New Zealand. The imports of frozen mutton during the same period were only 3,405,125 cwt. against 4,471,700 in 1915, and 4,651,692 cwt. in 1914. Practically all of the reduction in supply was due to a falling off in shipments from Australia. Imports of fresh pork during the past year almost entirely ceased.

During 1916 there was a large increase in the home-grown meat placed on the United Kingdom market, but in spite of this the agricultural return in June last shows the number of cattle in the United Kingdom to be 12,411,551, the largest ever recorded, while the number of sheep is the largest since 1912, being 28,761,742, and the number of pigs was 3,604,814. The usual estimate is that about 25 per cent of the cattle and about 40 per cent of the sheep are slaughtered each year, but it is stated that according to certain records, the increase in home-bred meat in 1916 was considered to be nearly 16 per cent, following an increase of about 11 per cent in 1915. Home-grown meat in normal times furnishes rather over 60 per cent of the total consumption in the United Kingdom, so an increase of 27 per cent would assist in replacing the share of the imported 40 per cent which was absorbed by the army, while the remaining deficiency offers an explanation of the high level of prices which has prevailed.

THE FRUIT MARKET.

The imports of fruits into the Port of Bristol from all countries and the share obtained from Canada for the last five years are as follows:—

Fruit.	1912.	1913.	1914.	1915.	1916.
	Tons.	Tons.	Tons.	Tons.	Tons.
From all countries	94,684	101,867	94,391	87,095	77,762
From Canada	3,169	2,450	1,012	438	679

Under the item fruit is included all kinds of fresh, dried and canned fruits. The small percentage of the trade done by Canada will be noticed. This is partly accounted for by the fact that the total imports include bananas, lemons, and oranges, 52,042 and 36,820 tons of bananas being imported in 1915 and 1916, and 22,929 and 25,204 tons of lemons and oranges during the same years respectively. The shipments of fruit from Canada have greatly decreased since the year 1912. As, however, a better steamship service is anticipated it is hoped that greatly increased supplies will be forthcoming from the Dominion, as there is a good opportunity for Canadians to do an extensive fruit export business

with this district. The following are the kinds of fruit which Canada shipped to Bristol, showing the quantities received from Canada as compared with the total importations from all countries during 1916:—

Fruit.	From All Countries.	From Canada.
	Tons.	Tons.
Apples.....	365	316
Pears.....	106	106
Raisins.....	2,280	75
Plums.....	725	55
Dried.....	1,398	13
Canned.....	3,452	114
Total.....	8,326	679

THE TRADE IN FISH.

Out of a total importation into the Port of Bristol during 1916 of 4,247 tons of fish, 1,145 tons were shipped from Canada. With regard to the canned fish trade of the United Kingdom, the salmon trade has shown great activity, and the considerable increases in arrivals have been all more or less accounted for, while until the next pack becomes available next fall there is likely to be quite a shortage. Shipments have been somewhat delayed owing to the difficulties of freight, and the increase in the rates of war insurance has also complicated the position. Pink salmon has grown in public favour and an increased business has been the result. Prices have advanced considerably, and it is stated that higher prices will likely rule in 1917 for salmon as by the summer the supply will be probably more or less exhausted. Respecting the lobster trade, the total arrivals in the United Kingdom showed an increase as compared with 1915, but as supplies were quickly taken up there was a scarcity at the end of the year, causing the price of lobsters to reach a very high level. There has also been an increased demand for sardines resulting from the war and prices materially advanced, there being a special scarcity of the finest qualities. The imports of sardines in to the United Kingdom from Portugal for the first eleven months of 1916 were much in excess of those in 1915 and 1914, but the arrivals from France showed a small decrease.

SUGAR SUPPLIES AND THE CONFECTIONERY BUSINESS.

The imports of sugar into the Port of Bristol being 64,754 tons in 1916 an increase is shown over 1915, when 59,448 tons were imported. This, however, is a decrease as compared with previous years, as 91,042 tons entered the Port in 1914, 85,929 tons in 1913 and 93,401 tons in 1912. The year 1916 has been a difficult one for the manufacturers of confectionery in this district as sugar supplies to the trade were restricted by the sugar commission, and there was a reduced amount of efficient labour available. Consequently, though the demands for chocolates and sweetmeats was generally good, it was impossible for manufacturers to meet all demands. At the close of the year, the Board of Trade proposed to further restrict the supplies of sugar which may be used in the making of chocolate and sweetmeats, so that the difficulties experienced by the manufacturers here will probably be accentuated in 1917. Considerable quantities of general confectionery have been imported from the United States, and increasing amounts of chocolates have arrived in the United Kingdom from

Switzerland. The effect of the shortage of supplies has been considerably to curtail the export of confectionery and many manufacturers have had to close down their export agencies. The United States representatives are making energetic efforts to secure foreign trade, and it is stated here that there is a good market for high grade chocolate and confectionery of Canadian manufacture. For further particulars relating to the opportunity in this market for chocolates see *Weekly Bulletin* No. 661.

OILSEEDS AND OILCAKE IMPORTS.

The importation of oilseeds and oilcake into the Port of Bristol is an important trade. The imports of oilseeds have declined each year since 1913, when the quantity received was 80,716 tons, while the imports in 1914 were 71,189 tons, in 1915 were 66,897 tons, and in 1916 36,025 tons. Of these amounts 17,714 tons were shipped from Canada in 1913, and 764 tons in 1914, but since then none has arrived from the Dominion. The imports of oilcake into Bristol have greatly increased in 1915 and 1916, when the quantities entering were 12,358 and 14,632 tons, while the imports during the years 1912-13 and 1914 were 1,517, 3,771 and 1,546 tons respectively. Canada's share of the trade was rather small, as during each of the years 1912, 1913, 1914, 1915 and 1916 in order, only 754, 828, 300, 604 and 653 tons were received from that source.

THE TIMBER TRADE.

The timber trade in 1916 was chiefly remarkable for the very high level of delivered values, due principally to the extraordinary rates of tonnage, but also to the free on board prices asked for and obtained by Swedish shippers, who in the absence of shipments from Finnish and Russian Baltic ports were able to control prices to a large extent. The volume of supplies decreased enormously being the smallest on record, while the price greatly exceeded even the record year 1913. During the season of 1916 the import of wood goods into the United Kingdom declined about 630,000 standards, which approximately represents a loss of one-third of the annual supply in normal times, while it appears that the average cost was inflated by about 140 per cent. The cargoes imported by the Government in requisitioned steamers are not included in the Board of Trade returns, but it is thought that this quantity is very large, much greater than in the previous year, especially from Canada and Russia. The following table shows the increase in the average import cost per standard during the last six years in the United Kingdom:—

1916—£24.10.3	1914—£10.13.0	1912—£ 9.18.3
1915—£15.11.0	1913—£10.9.3	1911—£ 9.9.0

There was difficulty in arranging freights with the White Sea market, and freight rates which opened up at about 280s. (\$68.13) went up to 400s. (\$97.33) and finished at 200s. (\$48.67). A shortage of Russian wood was experienced at the end of the year. In the trade with Canada there was a somewhat similar experience to that with Russia and freights were anything from about 200s. (\$48.67) to 400s. (\$97.33), at one time in the summer being as low as 150s. (\$36.49) and ending the season at just over 300s. (\$73.00). The total imports of wood goods (including timber, deals, shooks etc., but not manufactured wooden goods, which are prohibited) into the Port of Bristol, which were 143,130 tons in 1912, 177,675 tons in 1913, 158,341 tons in 1914 and 182,725 tons in 1915, declined to 127,684 tons in 1916. Of these amounts the share sent from Canada to the Port in 1916 was 63,929 tons which is an increase over previous years, with the exception of 1915, when 81,531 tons were shipped, the imports from the Dominion being 54,907 tons in 1914, 31,284 tons in 1913, and 42,424 tons in 1912.

THE PITWOOD MARKET.

The demand in South Wales for pitwood was constant and was to a greater extent met by the cutting of woods in the United Kingdom, but imports were well maintained and amounted to considerably over a million loads. Large quantities of pit timber were imported from Newfoundland, but France was the principal source of supply. Pitwood prices in January, 1916, touched 53s. 6d. (\$13.01) per ton, and fluctuations took place during the year, but the prices at the end of December ruled at between 43s. and 50s. (\$10.46 and \$12.16) per ton.

CONDITIONS IN CERTAIN WOOD-USING INDUSTRIES.

Building.—The continuance of the war has had the effect of checking private work, and little except such as was absolutely necessary has been done. Many employers have been busy with such men as were available but their numbers have been so greatly reduced that the business accomplished has been comparatively small, except in Government work.

Brush Trade.—The home trade was good, though shortage of labour made it difficult for manufacturers to keep pace with the demand. Prices are high and there is an ever growing scarcity of suitable wood.

Bellows and Forges Manufacture.—There has also been a heavy home demand and prices of raw materials, especially of leather and lumber, have steadily advanced throughout the year.

Furniture and Cabinet Work.—During the year 1916 increasing difficulties were experienced on account of war conditions, as well as a strike, which lasted about three months. Orders were plentiful, but materials were dear and difficult to obtain and labour was scarce.

IMPORTS OF WOOD PULP AND PAPER.

Canada supplied 521 tons of wood pulp out of a total importation of 2,911 tons into the port of Bristol in 1916, and her share of a total import of paper amounting to 30,720 tons, which was the lowest figure since 1911, was only 1,496 tons in 1916. The following are the total quantities of paper received from all countries and the amounts shipped from Canada during the last five years:—

Paper.	1912.	1913.	1914.	1915.	1916.
	Tons.	Tons.	Tons.	Tons.	Tons.
From all countries.....	31,283	35,311	43,750	14,294	30,720
From Canada.....	1,939	2,351	1,676	1,110	1,496

There has been a great demand for paper of different kinds, and the price has advanced considerably. Canadian manufacturers should have obtained a much larger share of the trade as the supply from other sources has greatly declined. Some Canadian manufacturers have sent a very good class of paper to this market which has given complete satisfaction, but it has been brought to the notice of this office that certain other Canadian paper producers have not lived up to their contracts, not only failing to ship nearly all the contracted supplies, but that which was sent was not up to sample. If a large and regular export trade is desired it is absolutely necessary that all contracts be filled to the

satisfaction of the importers. In the case of this not being done it is very detrimental, not only to the firm concerned, but to the whole Canadian paper export trade.

TRADE IN LEATHER AND LEATHER MANUFACTURES.

The output and eventual consumption of leather of all descriptions in 1916 has surpassed previous records in the United Kingdom, in spite of the fact that conditions of production have been very difficult. All leather suitable for military requirements was taken over by the Government, and the supply of male labour has been decreasing, which has affected every class of material from the initial stage of hide preparation to the last stage of the finished articles. Supplies of hides of all classes, except native hides which are under Government control, have been eagerly competed for, and at the end of 1916 prices had advanced to unprecedented limits. At the same time the Government fixed prices of leather suitable for military requirements whether for use in the British boot or for supplies for our Allies. The freight question has had a great influence on the cost of tanning materials which have been at a very high figure. The West of England has always been regarded as a source for heavy leather, and, in spite of the shortage of labour and difficulties in procuring materials, the tanners have supplied leather in increasing quantities. The United States sole and upper leathers have also proved a feature of the trade for the past year in the United Kingdom, and the permission given by the War Office in February last that American upper leathers could be used for Army boots caused some activity in these leathers. The chief interest, however, centred in sole leathers which came in quite large quantities consequent upon the commandeering of English sole leathers. Out of a total importation of leather into the port of Bristol from all countries of 1,794 tons, only 79 tons were shipped from Canada.

Boots and Shoes.

The year 1916 has been one of extreme pressure for all boot manufacturers in this district. In 1915 it was to a certain extent optional whether manufacturers made army boots, but in 1916 practically every house of standing was requisitioned for Government work, and large quantities of boots were made for the British, Russian and Italian armies. A rough estimate shows that firms in Bristol and district have turned out 350,000 pairs of Russian ankle boots, 300,000 pairs of Russian Cossack boots, and probably over 500,000 pairs of the British army regulation boots. A few manufacturers have also been engaged on British field service boots and a limited quantity of the Italian army boots have also been produced. Naturally the civilian trade has suffered to a considerable extent, and buyers have had difficulty in obtaining even a minimum amount of stock.

A large importer in Bristol who wished to obtain women's and children's boots and shoes was put in touch with Canadian manufacturers and sent a representative to Canada and the United States. Most of the Canadian firms were either too busy with war orders or prices were too high and about \$250,000 worth of boots and shoes were bought from the United States. He has, however, made connections with one Canadian firm and is in communication with three others.

THE HEMP AND FLAX TRADE.

The total importation of flax and other fibres into the port of Bristol amounted to 887 tons, of which 338 tons were shipped from Canada. Increased difficulties were experienced in 1916 in securing adequate supplies of fibres, as the

route from Russia via Scandinavia has been practically closed and the only available outlet by the port of Archangel, open and ice free for about six months of the year, has been greatly congested and restricted, with the result that supplies of hemp and flax have been received spasmodically and in nearly every case very much pulled about and damaged. It is hoped, however, that the new Russian railway from the Riga district to the open port of Alexandrovsk on the Arctic Ocean will facilitate the obtaining of supplies. The high rate of freights and insurance with the increased dock and labour charges have raised the prices of fibres to an extremely high level. Indian fibres, both Bombay and Calcutta hems, as well as jute have advanced in sympathy so that the volume of business done in these goods has not been up to the average, although numerous inquiries have been received from neutral and allied countries for goods formerly manufactured in enemy countries. In hard fibres, Manila, New Zealand, etc., difficulty has also been experienced in procuring supplies of raw material caused chiefly by decreased shipping facilities and high freights. The general trade in hemp and flax goods, in the rope, twine and the weaving departments has been below the average in volume.

OTHER IMPORTS.

The following are the imports into the port of Bristol of the principal commodities which were shipped from Canada, other than those which have already been mentioned, together with the total importation from all countries in the year 1916:—

Commodities.	From All Countries.	From Canada.
	Tons.	Tons.
Agricultural implements.....	1,126	548
Iron.....	37,125	364
Metal ashes.....	8,362	5,346
Milk, condensed.....	2,344	737
Petroleum and products.....	224,174	145
Spelter.....	2,961	367
Tobacco.....	2,168	239
Vegetables.....	12,941	61

THE TOTAL EXPORTS.

The total exports from the port of Bristol in 1916 amounted to 146,524 tons which was an increase over the previous year of 39,885 tons, the exports in 1915 being 106,639 tons.

The total exports from Bristol during 1915 and 1916 were as follows:

Exports.	1915.	1916.
	Tons.	Tons.
Iron of all kinds.....	32,582	23,853
Tinplates.....	23,467	23,121
General Goods.....	50,590	99,550
Total.....	106,639	146,524

EXPORTS TO CANADA.

The exports to Canada from Bristol have shown a considerable decline each year since 1913. In 1911 the exports to Canada amounted to 67,393 tons and in 1913, to 65,321 tons, while in 1916 only 12,105 tons were shipped to the Dominion. The following are the exports from the port of Bristol to Canada for the last five years:—

Principal Articles.	1912.	1913.	1914.	1915.	1916.
	Tons.	Tons.	Tons.	Tons.	Tons.
Clay.....	9,205	6,900	2,893	245	4,119
Cocoa and chocolate.....	2,199	2,173	1,719	677	874
Hardware.....	363	282	198	9	2
Iron of all kinds.....	20,647	27,333	22,530	6,910	2,330
Oilman's stores.....	1,206	867	567	30	115
(Pickles, sauces, etc.)					
Paper.....	1,696	1,509	1,571	959	630
Rags and junk.....	1,430	1,204	487	292	49
Tinplates.....	9,968	19,455	13,581	3,048	1,048
Tobacco.....	425	277	312	8	22
Wool.....	228	328	242	251	243
All other goods.....	6,336	4,993	3,417	3,639	2,673
	53,703	65,321	47,517	16,068	12,105

THE COAL INDUSTRY OF SOUTH WALES.

A report of the conditions in this district would not be complete without some brief mention of the coal industry of South Wales. The output of the coal-field for the year is estimated at about 51,000,000 tons, an increase of 500,000 tons over 1915, although about 1,000,000 tons below that of the record year 1913. Exports were materially reduced on account of the enormous requirements of the British and Allied Governments as well as the rapidly growing consumption in the United Kingdom through the great pressure placed upon manufacturing industries

GREAT BRITAIN.

REPORT OF TRADE COMMISSIONER.

(Mr. J. T. Lithgow.)

Glasgow, 31 December, 1916.

ACTIVITIES OF GLASGOW OFFICE.

During the year 1916, the following subjects were investigated and reported upon to the Department:—

1916.	Subjects.
January 12.....	Strawboard. Timber Market.
February 1.....	Trade after the War. Suggested Ministry of Commerce. Resolutions of the Glasgow Chamber of Commerce.
March 10.....	Trade between Great Britain and Overseas Dominions. Possibilities of extension. Magnesite. Strawboard.
April 6.....	Timber Market Report.
April 18.....	Iron and Steel Trades.
May 12.....	The Paper Trade.
June 12.....	Furniture and Cabinetware Trade.
June 20.....	Demand for Vegetables for Pickling purposes. Tomato Ketchup.
July 6.....	Timber Trade in Glasgow.
July 12.....	Piano Trade and the War.
August 18.....	The Leather Industry.
September 13.....	Barley suitable for Malting Purposes.
October 6.....	Timber Market Report.
November 7.....	Glasgow Commercial Library.
December 7.....	Prospects for Increased Exports to Belfast:—Bran, Leather, Woodenware, Tinned Apples and Tomatoes, Musical Instruments, etc.

Number of letters received.....	1,181
“ “ despatched.....	3,903
“ interviews.....	567
“ Trade Enquiries forwarded to Department.....	229

SCOTLAND IN 1916.

The Trade conditions prevailing in Scotland during 1916 were to a great extent similar to those of 1915. The industrial energies of the country have been almost entirely concentrated on War Work, and private business has received scant attention.

SHIPOWNERS AND HIGH FREIGHTS.

The Shipowners have suffered much criticism for the high rates which prevailed, but it is questionable if they were altogether to blame in the matter. The owners have certainly had a harvest, but the profits they have made are more the outcome of circumstances than any attempt to exploit the country. There was only 30 per cent of the existing tonnage available for ordinary purposes and in consequence the demand for steamers was far in excess of the ability of the owners to supply, with the result that charters put up the price against each other and were themselves responsible to a great extent for the high level of prices. It has also to be borne in mind that with tonnage

reduced by 70 per cent, the imports into the country were greatly curtailed, while the demand showed no signs of falling off, and the true explanation of the existing high cost of living is found not so much in freight charges as in the fact that demand far exceeded supply. The new measure adopted of placing the vessels not already requisitioned under the control of a Minister of Shipping, is not expected to make much difference to costs, but it will certainly assure a more equitable use of tonnage.

LABOUR DIFFICULTIES.

Another of the serious disadvantages under which trade has suffered, has been the shortage of the labour supply. The ever increasing demands of the army have seriously depleted the ranks of the workers, and although efforts have been made to transfer men from non-essential trades to the munition works, there is no evidence yet that the requirements of these establishments have been fully met. Women are being extensively employed but while they are doing admirable work they are unable to take the place of men in the skilled trades.

STOPPAGE AT WORKS.

It is greatly to the credit of the workmen that the work of providing munitions for the army has not been interrupted by any serious labour disputes. It is true of course that complete harmony has not always existed, but by a system of Tribunals differences have been settled without resort to stoppage of work. The Unions have also adopted a rational attitude towards the question of dilution of labour and have placed patriotism before some of the vital principles of their organisations.

BANKING IN SCOTLAND.

The various financial schemes of the Government have received hearty support from the Scottish Banks and an examination of their reports show that a very large proportion of their resources have been placed at the service of the State. Despite the counter attraction of high rates of interest offered by the Government for the use of money the Banks are in a remarkably strong position. Over the year the deposits of the various institutions have increased by 25 millions sterling which augurs well for the future when ready money will be in urgent demand when hostilities have ceased. The high price ruling for money has had a detrimental effect on the market value of securities and in common with similar organizations the Scotch Banks have suffered rather badly in the matter of writing off depreciation, the amount lost in this way since the beginning of the war being about one million sterling.

STOCK MARKETS.

In common with the stock markets in all belligerent countries, dealing in stocks and shares has been reduced to the minimum. Restrictions have been imposed which preclude all speculation, and price variations over the year have not been of much consequence. So far as Canadian issues are concerned, the principal stock dealt in here, namely, Canadian Pacifics, has almost ceased to be a market since the stock became included in the "dollar security" scheme of the Government. Shipping shares have in many cases, due to the large profits being made in freights, undergone phenomenal advances, but apart from these issues, it cannot be said that there has been much movement in prices.

BASIC INDUSTRIES.

Dealing with the basic industries of the country such as coal, steel and iron, the most noticeable feature throughout the year is the manner in which they have come under the Control of the Government; for the most part the energies of these industries have been directed towards the production of war material, and work of a private nature has received scant consideration. At the iron works employment has been at its full capacity, and notwithstanding extensive additions to plant the production has never been able to keep up with the demand. During the year the greater part of the output in Scotland has been converted into billets or bars. The army and navy naturally receive first consideration, but it has been found necessary to direct a considerable part of the production to the construction of Merchant tonnage which is greatly depleted owing to Government requisitioning and in part due to the activity of German submarines.

STEEL PRICES.

The Government is not only controlling the output of the work but has also fixed the prices at which material may be sold. At the beginning of the year maximum prices were fixed as follows:—Ship plates, £11 10s.; angles, £11 2/6; boiler plates, £12 10s., all net per ton f.o.t. maker's works. It was not without considerable difficulty that these prices were arrived at as the fixing process had to be followed through hematite, basic pig irons and freights, but the regulations once they were made have served a good purpose and have prevented fluctuations in values which would have reflected seriously on the production.

EXPORT OF STEEL.

The export of steel to neutral countries and to the Colonies has practically ceased for the time being. Supplies are still sent to France and Italy under Government license, but owing to the great demand at home there is little shipped. Export prices are nominally:—ship plates, £14; angles, £15; boiler plates, £15, all less 2½ per cent f.o.b. Glasgow.

PIG IRON.

All the works in Scotland where pig iron is produced were placed early in the year under the control of the Ministry of Munitions. The control applied both to production and distribution and was instituted with a view to conserving the whole of the iron resources for the purpose of war. The result of the measure has facilitated work greatly, although difficulty is still being experienced in keeping up with the demands of the steel works. The lack of tonnage has hampered the shipping branch of the trade and very little has been moved by this means. The stock of Cleveland iron in store amounted at the beginning of year to 120,000 tons, and is now only 4,000 tons. Dealing in warrants has been entirely suspended and business is conducted direct between producers and consumers.

When the year opened Scotch hematite iron stood round £6 12s. 6d. per ton, but the high price of ore together with the freight charges soon raised it to £7 5s. a ton. At this point the Government intervened and an arrangement was come to whereby consumers of hematite obtained their supplies at £6 2s. 6d. per ton f.o.t. blast furnaces. In the earlier months a moderate export business was transacted, but with the growing home demand, this soon ceased and there is now very little going out of the country. In fact the demands of home consumers became so pressing that the Ministry of Munitions has now undertaken the allotment here to consumers.

MALLEABLE IRON.

Malleable iron has followed a course similar to that of pig iron. The output has been greater than that of the two preceding years and would probably have been still greater but for some irregular working. Prices were advanced in the early part of the year, and since April last have been limited by Government regulation in the home market, and the fixed maximum price is accepted as the minimum selling. Wages in this trade have been advanced by $32\frac{1}{2}$ per cent within the twelve months, and are now 70 per cent above the pre-war standard.

IMPORTS OF IRON ORE.

With steel and iron works engaged at their full capacity, business in iron ore has been on an extensive scale and large quantities have been imported into the country. The following table shows the imports for the past number of years:—

—	Tons.	—	Tons.
1902.....	6,440,317	1910.....	7,020,543
1903.....	6,313,236	1911.....	6,346,599
1904.....	6,100,756	1912.....	6,602,475
1905.....	7,344,786	1913.....	7,442,239
1906.....	7,823,084	1914.....	5,704,837
1907.....	7,641,934	1915.....	6,203,161
1908.....	6,057,071	1916.....	7,005,183
1909.....	6,328,613		(approx.)

Like most other commodities carried by sea, prices of ore have been greatly affected by freight charges. The normal rate of freight from Bilbao to Glasgow, the Spanish port from which the ore is shipped, is round 7s. 6d. per ton. At the beginning of the year the rate stood at 22s. and rose steadily until March, when it reached 26s. 6d. Since then the chartering has been taken over by the Government and is regulated from London. As a result of the Government intervention, the rate of freight has fallen to 18s.

STRUCTURAL STEEL WORK.

The necessity for creating new munition works and extending existing plant has given a great impetus to the structural steel trade which has been most actively engaged throughout the whole of the year. High costs have had to be faced, but the work was of such an imperative nature that these factors in no way retarded work.

WAGES OF SCOTCH MINERS.

Wages in Scotland are round 10s. a day, and the miners prompted by the success of their Welsh confreres have put in a claim for an advance of 25 per cent of the 1888 basis.

LIMITATION OF COAL PRICES.

Another noteworthy feature of the year has been the limitation of coal prices, while the fixing of rates of freight to France and Italy was another drastic but necessary step. Both these measures were brought about by the unrestrained advance that took place in prices in the early part of the year, and if action had not been taken by the Government it is not outside the bounds of possibility that friction would have been caused with our French and Italian

allies owing to the high prices they were being called upon to pay for fuel for their navies.

THE RISE IN COAL PRICES.

As an illustration of the wide fluctuations that took place in the price of coal, Hamilton Ell was quoted at the beginning of 1916 at 22s., and by May had risen to 40s. With the introduction of the limitation scheme the figure has since gone back to 24s. while other qualities of coal have experienced a similar course of fluctuation. The only drawback about the limitation scheme is that while it was inaugurated with a view to giving material assistance to the Allies it has greatly benefited neutral merchants who are able to pick up coal under the limit price

COAL TRADE OUTLOOK.

Prospects in the coal trade are not clearly defined, and the extent of the export trade in 1917 will depend absolutely on the supply of tonnage available. Judging from the experience of recent months the trade so far as Scotland is concerned is likely to remain in a lethargic condition for some time, mainly because exports will be limited and home consumers will be unable to take the outputs. A number of export contracts have been entered into over the first half of the year but the collieries have no great hope of these maturing as the chance of shipping the coal is remote.

SCOTTISH MINERAL OIL TRADE.

The Scottish mineral oil trade is now one of considerable importance and is playing a much more prominent role than in the past in consequence of the increasing number of oil-propelled steamers. Throughout the year costs have been raised considerably, which finds reflection in prices. Motor spirit has been raised to 2s. per gallon, exclusive of duty, and fuel and gas oils are standing at unheard of prices. The export of paraffin wax has been maintained at the higher level of prices, but imports show a falling-off of about 20,000 tons compared with 1915.

SHIPPING FREIGHTS.

As has already been indicated the available tonnage has been quite inadequate to meet the requirements of trade and this has consequently resulted in the shipowners reaping a rich harvest. The taxation of shipping profits has had no effect in checking rates, and it is contended that the impost merely added so much more to the charge.

CANADIAN WHEAT AND FREIGHT CHARGES.

In the spring of 1916 Canada and America entered into competition for tonnage for the carriage of their crops, and between them managed to put prices up to unheard of heights. Owners were attracted by the unprecedented rates and sent vessels across the Atlantic, leaving other trades almost destitute of boats. As a result of this the charge for carrying coal from the United Kingdom to Italy rose to 110s., and to Port Said 120s. Some idea of the advance may be obtained when it is remembered that in peace times the rate to Italy was sometimes below 5s. The homeward markets have also been subject to wide fluctuations. Rates from the Argentine rose from 120s. in December, 1915, to 180s., but after a certain amount of control had been established a reaction took place to about 100s. Cotton rates were unable to compete with the grain markets, but some high figures were reached, 150s. to 180s. being paid from Savannah and 230s. to 250s. from the Gulf ports. Some sensational

advances took place in the Eastern markets. The highest rate in 1915 from Bombay was 110s., while in 1916 200s. was paid to the United Kingdom and 250s. to Mediterranean ports.

THE AUSTRALIAN GOVERNMENT AND FREIGHTS.

One of the most outstanding incidents in the freight market has been the strong attitude taken up by Australia, which has controlled freights since the beginning. The Commonwealth Government recognized early that Australia would suffer badly if tonnage could not be obtained to move the million tons available for export out of the 1915-16 crop, and with a view to this, fixed rates with the United Kingdom at 95s. and 110s. according to whether the vessel arrived with cargo or ballast. For a time this scheme worked all right, but when the rates arose for other routes vessels were withdrawn from the Australian trade, and if the British Government had not requisitioned steamers to bring over the crop, the situation would have developed a serious aspect.

THE AUSTRALIAN PURCHASE OF STEAMERS.

When the Australian Government found themselves faced with the possibility of being without tonnage, they decided on the bold step of buying thirty British steamers for their own use. The deal was put through by Mr. Hughes, the Prime Minister, and greatly relieved the situation, although as the boats can only move about 350,000 tons, allowing for two voyages each, and the available exports, including 1916-17 harvest, now amounts to two million tons, it is apparent that the Australian freight problem is not yet settled.

THE ADVANCE IN GRAIN PRICES.

The grain trade like all other industries has been characterized by high prices. The steady advance that has taken place in values throughout the year was at one time attributed to speculation, but it is doubtful if this class of business has been engaged in to any extent and the shortage of supply is in the main responsible for the high level. The production in the growing countries has been greatly reduced, the total deficiency in the United States and Canada amounting to 68 million quarters. The European production was also considerably lower, the United Kingdom falling off to the extent of two million quarters, and France 4 million quarters. In Russia the position is different, where the excess over home requirements amounts to 35 million quarters, but in the meantime this excess is of little advantage to Britain. In consequence of the shortage of supplies prices have advanced for all cereals. The following table indicates the rise.

	British Wheat, per 480 lb.	Best Canadian, per 496 lb.	American Red, per 280 lb.	House- hold Flour, per 280 lb.	Fine American, per 280 lb.
1916.	s.	s.	s.	s.	s.
January.....	56	67	63	49	48
February.....	58	72	70	51	51
March.....	59	72	70	52	50
April.....	53	66	64	48	47
May.....	56	63	62	48	48
June.....	52	56	55	46	47
July.....	47	52	51	41	43
August.....	56	67	65	47	46
September.....	60	73	70	54	53
October.....	63	76	72	56	55
November.....	67	87	81	60	62
December.....	74	89	84	59	63

THE TIMBER TRADE.

The timber trade of Scotland has reflected the war no less faithfully than other industries. The various Government restrictions regarding housebuilding hit the trade badly, while the fact that the shipyards were turning out little or no merchant tonnage also militated against business. Notwithstanding these disadvantages, however, the shortage of labour was so acute that the various firms found that the reduced turnout was about as much as they could cope with. Prices have been greatly disturbed by freights which at the opening of the season ranged from £15 to £20 per standard from Montreal, and later fell to £9

FALL IN CANADIAN PINE AND SPRUCE.

About the only exception in the steady rise in values is found in Canadian pine and spruce which during the summer months showed weakness but which subsequently recovered and now stand at their former high level. Canadian log timber business was largely confined to elm and oak, the turnover in waney boardwood and birch being reduced owing to the lack of demand for shipbuilding purposes. Pitch pine has been in good demand throughout the twelve months, and the current price is the highest touched since the wood was imported into the country. Compared with recent years there was a small demand for Oregon pine, Californian sugar and white pine, and sequoia. Pacific Coast and Virginia clear spruce are used extensively in the construction of aeroplanes, and notwithstanding the high prices ruling for these woods, the supply was unable to keep pace with the demand. Furniture woods have been very dear, the reason being that stocks were unusually low when the prohibition of imports order came into force early in the year. Mahogany of all descriptions has reached record prices. The prohibition of imports directed attention to the necessity of using more of the home woods, but unfortunately the wood grown in Britain does not compare favourably with that raised abroad. Canadian yellow pine, which has been somewhat out of favour for some time, was in better request, the explanation no doubt being that, whereas it used to be more expensive than spruce, prices are now almost similar.

CONDITIONS IN THE TEXTILE TRADE.

The textile industry in Scotland has suffered from all the disabilities of war, and in consequence the production for the twelve months has been considerably reduced. In the Border Country the trade has been largely confined to the manufacture of khaki cloths for the army. Ordinary tweed business has been very quiet, but considerable progress has been made in wool dyeing. In the West of Scotland the shortage of labour has been a serious factor, but generally speaking the mills have been working to the full extent of their limited capacity. The Fifehire linen trade has suffered more than any other branch of the trade. The looms there are not suited for the class of work most in demand, and in consequence half of the looms have been standing idle throughout the year.

SHIPBUILDING.

It is permitted to say very little regarding one of the greatest of the Scottish industries, namely, shipbuilding, but it is not transgressing any regulation to state that the yards have experienced one of the busiest years in their existence. Work has been to a great extent confined to Naval construction and for a time little else was attempted, but latterly efforts have been made to increase the production of merchant tonnage, and much greater progress would have been

made in this direction if it had not been for the difficulty of obtaining material. As a result of the Scottish Yards being preoccupied with war work many orders for cargo steamers have gone abroad, America deriving considerable advantage. The United States yards have doubled their output of 1915, and have a large number of orders in hand for 1917.

CANADIAN SHIPBUILDING.

Canada has also benefited by the inability of the British builders to tackle foreign orders, and at the close of the year over twenty steamers were under construction in the Canadian yards for Norwegian owners. The vessels in some cases are larger than those usually built in Canada, three of the steamers building at Vancouver being 8,000 tons carrying capacity.

TOTAL BRITISH OUTPUT.

The total production of merchant vessels in Great Britain shows a falling off of 104 representing a tonnage of about 67,000 compared with 1915, the number of vessels being 412 and the tonnage 582,000, but in order to arrive at the actual falling off it is necessary to go back to 1914. When the 1916 figures are compared with that year it is found that the production is less by 882 vessels and 1,139,000 tons.

PROSPECTS OF BRITISH TRADE.

In looking to the future it is scarcely possible to make any conjectures, and the course of British trade during the next twelve months depends almost entirely on the duration of the war. As has already been indicated industry and commerce are directed largely to the production of material that will facilitate the prosecution of the war, and with the introduction of the new policy of the Government there is every possibility that all work of a non-essential character will be ultimately eliminated altogether. But while it is true that war work is not in the end profitable to the country as a whole it will maintain the industries engaged in a highly flourishing condition until peace has been declared.

CAPTURE OF ENEMY TRADE.

While the industrial resources of the country are mainly occupied with war work it should not be assumed that no efforts are being made to arrange matters so that when conditions return to normal, trade will benefit greatly from the new order of things that will follow victory. Already commissions have been appointed to investigate ways and means of preventing trade which has hitherto been the monopoly of the enemy from returning to them, and judging by the steps already taken there is every prospect of Britain entering upon a new industrial era whenever peace has been restored.

BRITISH TRADE WITH CANADA.

One great result of the war has been to draw Britain and the Dominions closer to each other than they have ever been in the past. Britain realises as she never did before that the whole Empire must in future work together if she is to remain the dominant trading power of the world, and this can only be accomplished if the Dominions put their whole weight into the scale. The war has brought home how dependent Britain is on the United States and Europe for material which could easily be procured within the Empire, and little

will be gained by the great conflict unless the recognition of this truth is followed up in a practical manner. Much of the shortage from which Britain has suffered during the past two years could have been met if the natural resources of Canada had been more fully developed.

GREAT BRITAIN.

REPORT OF TRADE COMMISSIONER.

(*Mr. J. Forsyth Smith*).

LIVERPOOL, January 17 1917

THE CLOSING OF THE LEEDS OFFICE.

The Leeds office was only in active operation for about nine months of the past year, as, early in October, it was decided that it should be closed, and its staff and equipment transferred to Liverpool. This decision, which had been in contemplation for some time previously, was due to the realization of the fact that, although a large centre of population and very important from the standpoint of export trade with Canada, Leeds is not advantageously situated for the special purposes of the Commercial Intelligence Service, viz.:—the development of Canadian export business. The large importers naturally tend to establish themselves at such ports as London, Liverpool, Manchester, Glasgow, and Bristol, from which they are able to distribute to advantage to all inland centres, and a Trade Commissioner approaching Leeds, Bradford or Sheffield firms was constantly met with the statement that practically all purchases were made from the large houses located at the ports, and that direct business presented few inducements, and, in general, could not be done on any but a small scale. The only ports in the Leeds territory, Hull and Newcastle, while providing attractions for the location of importers of continental goods, were of negligible importance for Canadian trade on account of their location on the east coast and of lack of ocean transport facilities.

It took a longer time than expected to secure suitable office premises in Liverpool, and the actual transfer was not completed till the last days of December, so that commercial intelligence activities in the new territory were not commenced till the beginning of 1917.

CORRESPONDENCE.

The number of letters despatched during the year was 3,280 and the number of those received 1,680. The letters despatched included circular letters calling the attention of prospective purchasers to various Canadian products, or seeking specific information desired on behalf of Canadian correspondents. Those received were, in the main, from British correspondents interested in obtaining commodities from Canada. A few were from Canadian exporters wishing to form business connections in this country, and desiring information as to the prospects for the sale of their goods. It is suggested that the Commissioners would be in a position to do much more effective work, if Canadian exporters were to make more general use of their services in this way. Investigation of market possibilities is greatly facilitated, when definite information of what is offered can be placed before the prospective purchaser.

INTERVIEWS.

The number of interviews recorded totalled 293. Many of these were with the heads of firms interested in opening up business connections with Canada. A larger proportion were with apple brokers, wholesalers and retailers, and steamship representatives, dock superintendents, etc., and had for their object the securing of information as to conditions affecting the sale and distribution of Canadian apples on the market.

INQUIRIES FOR CANADIAN GOODS.

In spite of what has been said about the disadvantages possessed by Leeds as an importing centre, the dislocation of ordinary trade channels due to the war inclined many importers, especially of raw materials and partly-manufactured products, to investigate new sources of supply, and, during the year, 150 inquiries were forwarded to the Department for publication in the Weekly Bulletin. These were exclusive of inquiries for apples, which will be dealt with in another place. The commodities inquired for included:—

Agricultural and Food Products.

Cheese, bacon, ham, canned fruits, canned vegetables, canned salmon, flaxseed, wheat, oats, hides and skins, flour, linseed cakes, tomato-puree, wheat, sharps, dried fruit, eggs, oatmeal, rolled oats, pearl barley, evaporated milk powder, peas, dried body hair, frozen salmon and halibut, poultry, canned meats, bran and middlings.

Wood and Wood Manufactures.

Wood pulp, strawboard, box shooks, whitewood boards, wood pulp boards, cardboard, kraft and other papers, tool handles, scout flag-poles and handstuffs, glazed paper casings, press-spahn for electrical insulating, leatheroid, deal and batten ends, wrapping paper, picture mouldings, pit props, maple flooring and strips, telegraph poles, railway sleepers, broom handles, sawn squares, wood fibre, dressed oak spokes, bent hickory rims, warner hubs.

Minerals.

Manganese, manganiferous and iron ores, corundum, tungsten, molybdenum, vanadium, colbalt, wolfram ore, ferrochrome, asbestos.

Manufactured Goods and Miscellaneous.

Wire rods, asbestos goods, iron wire, galvanized barb wire, wire nails, hammers, hatchets, shears, nuts and bolts, steel rails, steel billets, slabs and bars, engineers' tools, steel joists, channels, angles, and tees, wrought iron pipe, brushes, hosiery, school requisites, sporting goods supplies, flax straw, flax twine, hemlock tanning extract, glass, filing cabinets and office fixtures, woollen rags, wool, leather, spectacles, motor car accessories.

WOOD PULP.

Much interest has been shown by importers of wood pulp in the possibility of securing increased supplies of this commodity from Canada. This was due, mainly, to the difficulty experienced in obtaining the required quantities from Russia and Sweden, the main sources of supply in the past. During 1916,

198,810 tons of chemical and 457,790 tons of mechanical wood pulp were imported as against 402,841 tons of chemical and 557,033 tons of mechanical in 1914. The reduction was due, not only to the difficulty in procuring supplies, under war conditions, from European sources of supply, but also to the operation of Board of Trade regulations restricting imports. Canada supplied 27,457 tons of mechanical wet pulp as against 37,501 tons in 1915 and 110,331 in 1914. The demand, was especially, for soda and hard strong sulphite pulp, and also for mechanical wet pulp.

CANNED VEGETABLES.

The prohibition of the importation of foreign vegetables led to brisk inquiry for Canadian supplies. The demand was principally for canned tomatoes, tomatoe puree and canned peas.

CANADIAN WOOL.

Wool is produced in such comparatively small quantities in Canada that it scarcely seems necessary to seek an export market for the output. In response, however, to an inquiry from Canada, Bradford merchants were approached, and they were unanimous in stating that, provided the quality is satisfactory a market can be found for any quantity available.

STRAWBOARD, LEATHERBOARD, ETC.

Difficulty in securing supplies usually received from Holland has led to considerable inquiry from box manufacturers as to the possibility of securing strawboard, leatherboard, etc., from Canada.

EGGS.

Newcastle and Hull egg importers have shown much interest in Canadian eggs, the Russian supply having been almost entirely cut off, and the supply from Denmark very seriously curtailed. During 1916, only 734,525 great hundreds of eggs were received in the United Kingdom from Russia, as against 3,074,156 in 1915, and 6,870,827 in 1914, and 1,392,061 great hundreds from Denmark as against 2,657,835 in 1915, and 4,315,900 in 1914. Supplies from Egypt, Canada and the United States showed considerable increases as follows:—Egypt, 1916, 1,889,947; 1915, 1,428,409; 1914, 1,121,832; Canada, 1916, 1,431,778; 1915, 912,326; 1914, 331,173; United States, 1916, 779,716; 1915, 627,896; 1914, 493,229.

FROZEN SALMON AND HALIBUT.

North of England fish importers report that the demand for Canadian frozen fish is steadily increasing. The reduced supplies of fresh fish available owing to war conditions have been an important factor in stimulating this demand.

CANNED FRUITS.

The restrictions placed by the Board of Trade upon importations of foreign canned and dried fruits greatly stimulated inquiry for Canadian supplies of these lines. Canned fruits come very largely from California, whose best brands are thoroughly established on the market and much appreciated by the consumer. Dependability of supply and the attainment and maintenance of a high standard of quality will be the chief factor in retaining any foothold gained upon the market under present abnormal conditions

BOOTS AND SHOES.

The employment of British boot manufacturers on Army work has created a considerable demand for imported footgear, the United States being one of the principal sources of supply. During 1916, 277,756 pairs of leather boots and shoes were imported as against 177,723 in 1915, and 170,522 in 1914. Canadian manufacturers should be able to find a ready outlet on this market for any export surplus of footgear that may be available.

WOOD MANUFACTURES.

Inquiry has been particularly active for wood manufactures of all kinds, especially for broom and tool handles, box shooks, maple flooring, etc.

POTATOES.

An acute potato shortage due to the partial failure of the Scotch and Irish potato crops, and to the decrease in the total acreage planted in England on account of labour shortage lead to very high prices early in November, £11 to £13 per long ton to the wholesaler as against £2 10s. to £3 15s. during the same season in 1913 and 1914, and £3 10s. to £4 15s. in 1915. A number of large potato merchants inquired as to the possibility of obtaining supplies from Canada, several desiring to receive offers on lots up to 500 tons. Investigation, however, made it clear that potato supply and price conditions in Canada were such as to preclude the possibility of export business.

REPORTS.

During the year, twenty-five reports were transmitted to the Department. These included fourteen special reports on apple market conditions.

Among the matters dealt with in the general reports were: Demand for Canadian frozen salmon, and halibut and views of dealers as to the suitability of the packages used, leather and footwear situation, flour for re-shipment to Finland, freights and transportation difficulties, embargo on foreign preserved fruits, and special opportunities offered for developing Canadian business in these commodities, Hull grain, fruit, timber and provision trade, Northeast fishing industry, restrictions on imports, the removal of restriction on empire-grown tobacco, jam makers and sugar supplies, food prices, potato shortage, demand for wood pulp, strawboard, eggs, Canadian wool, flax, onions, timber, tool handles, etc.

The special fruit reports dealt with general conditions of supply and demand, monthly statistics of fruit imports into the United Kingdom, prices returned at auction sales for the different varieties and grades of apples, Australian apple crop prospects, the proposed embargo on fruit importation, opinions of the trade on various matters of interest to shippers, Australian shipping space and ocean rate arrangements, English apple crop prospects, fruit acreage in the United Kingdom, financial arrangements for cash sales, Hull, Bristol and Cardiff as apple ports, statistics showing the fruit resources of the Empire, Canadian pears on the British market, the apple market in Belfast, fruit retailers' profits, views as to increasing the demand for apples, high apple freight rates, advantage to apple industry of increased steamship facilities between Bristol and Canada, etc.

CATALOGUES.

Very few manufacturers' catalogues were received at this office during the year, and the lack of the information that would have been conveyed by these was seriously felt when discussing trade possibilities with prospective buyers.

GENERAL INQUIRIES.

In addition to inquiries from interested importers of Canadian goods, a Commissioner's office is naturally looked upon as headquarters, in the territory where it is located, for a wide range of information in regard to Canada. In particular, a large number of requests are received annually, for information as to Canadian Customs' tariffs and regulations. British exporters, also make frequent applications for assistance in opening up connections with Canadian buyers, or in securing suitable agents to represent them in Canada. In the former case, it has been the practice to refer inquirers to H.M.'s Trade Commissioner, Montreal. In the latter case it is often possible to place correspondents in touch with Canadian firms who have written the office asking for agencies to represent British manufacturers.

SAMPLES RECEIVED.

Very few samples have been received from Canadian manufacturers. It is suggested that it would be well, whenever possible, for samples to accompany requests for information as to market possibilities, as the value of the information secured is likely to be in direct proportion to the specific nature of the information furnished as to the product offered.

PUBLICATIONS DISTRIBUTED.

The Departmental publication, "Canada, the Country of the Twentieth Century" was distributed to Chambers of Commerce, public libraries, and newspapers, and aroused much interest and appreciation on the part of the recipients. A considerable number of export directories have also been furnished to prospective buyers. British Columbia timber booklets, and small lots of other literature advertising Canadian products were also placed in the hands of interested inquirers.

VISIT OF CANADIAN TRADE COMMISSION.

The Canadian Trade Commission paid a visit to Leeds, Bradford and Hull on August 21, 22 and 23, and, under the auspices of the Chambers of Commerce of these cities held conferences with British exporters and importers, at which the possibility of increasing trade with Canada was fully discussed. The meetings were very largely attended, local importers and manufacturers manifested a lively interest in the development of commercial relations with the Dominion, inquiries through this office were greatly stimulated, and it is certain that the visit of the Commission will give a strong impetus to the growing feeling in all British industrial and importing centres, in favour of closer co-operation in trade matters between the Mother Country and the overseas members of the Empire.

GENERAL APPLE MARKET CONDITIONS.

In spite of the greatly increased cost of living, the demand for apples during the first four months of the season of 1916-17 has been steady, and consumers have readily paid the high prices due to the high freights, the failure of the British apple crop, and the limitation of supplies on account of scarcity of shipping space.

Statistics showing apple arrivals in the United Kingdom are not available, but a general indication of the supply situation is given in the Liverpool figures. From July 1, to Dec. 30, 1916, 229,287 brl. and 402,174 boxes of Canadian and American apples are reported to have reached this port as against 277,248 brl. and 214,290 boxes during the same period in 1915, and 526,671 brl. and 205,607 boxes in 1914. As will be noted, an interesting feature of the apple supply has been the remarkable increase in the box apple arrivals due to the heavy crops in Washington and Oregon. The fact that, in spite of these increased

supplies, a steady demand has been shown for these apples at prices from two to three shillings a box higher than those prevailing last year is very definite evidence that, in spite of the pressure of war conditions, a fair proportion of the consuming public are still prepared to pay luxury prices of from 4d. to 8d. a lb. retail for high-grade fruit.

CANADIAN SUPPLIES.

The failure of the Ontario crop has resulted in very diminished supplies of apples from this province, and much the greater proportion has been sold in Glasgow, where they are especially popular. The quality, in general, has been very satisfactory, as apparently, the sensible policy has been adopted of holding back most of the inferior fruit for home consumption. As a result, although there have been some shipments of No. 3's that were not creditable, there has not been the same complaint from the trade as there was last year. Prices have been very satisfactory, culminating during Hallow'een week, in Glasgow, in such record figures as 57/- to 61/- for the best packs of No. 1 Kings. Ontario box apples have only been received in very small quantities. Many packs have rather indifferent, but some inspected in Glasgow, have reached a very high standard.

Nova Scotia apples have been in much heavier supply and more generally distributed. A new feature of the distribution was the comparatively large quantities sold in Glasgow, a market which has hitherto been very lightly supplied with apples from the eastern province. The quality and grade of these has also been generally, very satisfactory, and the price returns must have been gratifying to the shippers. Nova Scotia box apple shipments have been very limited.

British Columbia apples have reached the market in much larger quantities than in 1915, and a larger proportion have been sold on the auction markets. The grade and pack standard has not been altogether uniform. Several shipments ranked with the best competing packs, but others were below the required standard. A new feature was the sending forward of a fair number of No. 2's.

APPLE PRICE RANGE.

The following table showing the comparative price ranges on all markets during 1915 and 1916, of a few of the principal varieties of No. 1 Ontario, Nova Scotia and British Columbia apples, will give a definite idea of the high figures ruling during the past three months.

	1915.		1916.	
	s. d.	s. d.	s. d.	s. d.
Ontario—				
Kings.....	22 0	to 35 0	29 0	to 50 0
Snows.....	29 0	to 37 0	44 0	to 54 0
Baldwins.....	20 0	to 30 0	20 0	to 46 0
Greenings.....	22 0	to 27 0	35 0	to 41 0
Golden Russets.....	25 0	to 23 0	32 0	to 42 0
Nova Scotia—				
Gravensteins.....	15 0	to 23 0	23 0	to 30 0
Blenheims.....	16 0	to 22 0	20 0	to 34 0
Ribstons.....	16 0	to 25 0	22 0	to 33 0
Kings.....	15 0	to 27 0	25 0	to 40 0
Baldwins.....	14 0	to 15 0	21 0	to 30 0
Golden Russets.....	17 0	to 22 0	32 0	to 36 0
British Columbia—				
Wealthies.....			11 0	to 13 0
McIntosh Red.....			12 0	to 16 0
Cox's Orange.....	9 0	to 12 6	16 0	to 18 0
Jonathans.....	9 0	to 12 6	9 9	to 15 0
Spitzenbergs.....	9 6	to 12 6	10 9	to 12 9
Newtowns.....	9 6	to 12 6	10 6	to 11 0

Only medium sizes are considered in the British Columbia prices above. The wide range in 1916 prices for Nova Scotia apples is due to the low prices paid in Glasgow. London and Liverpool prices did not fall below 23/- on any variety, and were usually much higher.

SHIPPERS' DIFFICULTIES AND HANDICAPS.

Apple freight rates have been abnormally high, \$2 per barrel from Halifax as against \$1.25 last year, 78c. in 1914-15, 66c. in 1913-14 and 60c. in 1912-13. Rates from Montreal have been \$2 and from American ports from \$2 to \$2.25. Box apple rates have been increased in similar proportion. Restricted shipping space has also been a very serious handicap.

At the ports, dock congestion and dock labour shortage have also presented difficulties, though they have been less serious than last year.

PROPOSED EMBARGO ON FRUIT IMPORTATION.

The trade was much alarmed early in the year at the announcement of the Board of Trade that measures were contemplated to prohibit the importation of fruit in order to release tonnage for munitions and more important food products. Fortunately it was finally decided to limit restriction to oranges, and in August, even these restrictions were removed. It was probably felt that the natural limitations of shipping space and the effect of high rates would accomplish all that was desirable.

EXCELLENT PRICE PROSPECTS.

At the date of writing, the prospects for apple prices during the remainder of the season are excellent. Further space demands have been made upon shipping lines sailing from American ports for national purposes, and American barrel apples supplies are likely to be greatly reduced. The rates on box apples have been raised to a point that is almost or quite prohibitive. Chartered boats will, probably, bring certain quantities, but there will, undoubtedly, be a shortage, and representatives of American box apple interests on this side have been instructed to hold for high values. Already, in spite of very large visible supplies, the market has strengthened notably, and the promise now, is that there will be steady advances.

CABLES ON APPLE PRICES.

Cables reporting current fruit prices in London, Liverpool, Manchester, and Glasgow, and information as to the condition in which particular Canadian shipments have reached the market, have been sent to the Fruit Commissioner, Ottawa, two or three times a week throughout the season, making a total of 58. These cables appeared regularly in the bi-weekly bulletins issued by the Department of Agriculture, and also in the Weekly Bulletin of the Department of Trade and Commerce.

Acknowledgment must be made of the valuable assistance rendered by the Canadian Cargo Inspectors at London, Liverpool, Manchester, and Glasgow in compiling the information contained in these cables. It is impossible to make satisfactory reports of varying market conditions without attending the sales or making use of information furnished by correspondents, who are able to do so. The co-operation of the Cargo Inspectors has made it possible to cover satisfactorily, practically all sales that have taken place at each of the four important apple distributing centres.

MONTHLY FRUIT REPORTS.

In addition to the condensed information contained in the cables, detailed monthly reports have been made on fruit market conditions, as indicated elsewhere.

VISITS TO SECONDARY CENTRES.

The period from April to July, during which no Canadian apples are on the market, furnished an opportunity for visits to a large number of secondary distributing centres: Edinburgh, Aberdeen, Perth, Dundee, Birmingham, Sheffield, Bradford, Hull, Cardiff, Belfast, etc. At these points, interviews were held with apple wholesalers, and much valuable information secured as to grade, variety and size preferences, consumption possibilities, retail prices, the relative popularity of the box and barrel pack, the regard in which competing fruit is held, the influence of price on consumption, and other matters of special interest to shippers.

DIRECT SHIPPING OF APPLES.

A special investigation was made into the possibilities of direct business with wholesalers at other than the four principal receiving ports. It was found that a considerable direct business on the basis of cash against documents had already been established. Many dealers were interviewed who stated that, when the Canadian shipper was reliable, and could be depended upon to deliver fruit up to a high standard of grade and quality, and in good condition, they were strongly in favour of doing business in this way. On the other hand, dealers whose experience has been with dishonest, inexperienced or undependable packers do not care to take the risks involved in long distance buying, preferring to purchase their supplies, as required, at the auction markets.

As it was believed that a satisfactory direct business might be built up on a cash basis, note was taken of the willingness of dealers to receive quotations from Canadian shippers, and 101 apple inquiries sent forward to the Department. These included a number from auction market brokers interested in extending their connections.

THE APPLE AUCTIONS.

Further opportunities were afforded throughout the year for a careful study of apple auction methods, and a special report was made dealing with these, and also describing all other methods of securing distribution on the market for Canadian apples. Particular attention was paid in this report to the difficult problem of the classification of barrels, as tight and slack, for auction purposes, a matter of very special interest to shippers.

The apple auctions, undoubtedly, furnish a very valuable channel of distribution, affording, as they do, facilities for sale of from 15,000 to 45,000 barrels of apples a week, at prices fixed by the open competition of a large number of the largest buyers in the country. It is believed that reliable packers, who systematically develop a reputation for grade and quality, will have every reason to be satisfied with their apple auction dealings. Moreover, the range and comprehensiveness of the buying capacity concentrated in an apple auction salesroom, assures prices as good as are likely to be paid anywhere else on the market for even the inferior grades and marks of fruit.

CANADIAN CARGO INSPECTORS.

A review of the apple season would not be complete without a word of testimony to the thorough and painstaking work of the Canadian Cargo Inspect-

tors at the chief ports. These officials are constantly on hand at the discharge of apple cargoes, and their influence has a very important effect in securing the careful handling of the fruit. Their efforts have been especially valuable, during the past two years, when dock labour shortage has led to the employment of a large number of inexperienced men, who require much supervision, if rough handling is to be avoided. The work of the inspectors has a distinct money value to Canadian shippers, as every slack barrel produced by careless methods of discharging represents a loss of from two to four shillings in possible returns.

THE PORT OF HULL IN 1916.

The port of Hull is an important centre of the grain, timber and seed-crushing industries, and the Board of Trade returns give it third place among United Kingdom ports in the total value of its imports and exports, as it is only exceeded in this respect by London and Liverpool. Its position on the east coast, however, and the fact that it has no satisfactory steamship service with Canada, prevents any large development of direct business with Canada. Representatives of its important commercial interests have, indeed, constantly urged the steamship authorities to provide better transportation facilities, contending that, in such a case, the large amount of import business now done with Canada through west coast ports would be diverted to Hull and that there would also be a steady growth of new business. They point out, in this connection, that New Zealand has considered it worth while to inaugurate a very promising direct service of refrigerator steamers to their port, although this has been temporarily suspended on account of war conditions. One apparently insuperable difficulty, however, always supervenes. While it is probable that Canadian imports to the northeast of England would make full use of any direct steamship service that might be established, it seems certain that there would be great difficulty in obtaining adequate return cargoes. The established steamship services between west coast points and Canada are so numerous and possess such advantages in the matter of accommodation and time in transit, that the important textile and other export industries of Yorkshire would have no inducement to divert their business to Hull. While the latter will, therefore, always continue to be one of the principal distributing centres for continental imports, it must be regarded as of very secondary importance from the point of view of Canadian trade.

HULL SHIPPING.

During the eleven months ending November 30, 3,099,135 tons of shipping entered Hull as compared with 3,763,011 tons during the corresponding period of 1915. These figures are exclusive of all vessels belonging to, or chartered by the Government, for which no dues are payable. The feature of 1916 shipping to this port, as elsewhere, has been the high freight rates paid on the open market, in which British owners have only participated to a limited extent, owing to extensive requisitioning for Admiralty purposes. As, in addition to the latter disadvantage, the Government takes 14/- and of every 20/- advance in freights for excess profit and income-tax, and war losses must, also, be made up, the position of British owners has been very far from being as satisfactory as that of neutrals.

THE GRAIN TRADE.

The year has been one of violent fluctuations in the wheat trade. The opening price of No. 1 Manitoba wheat on the 1st of each month was as follows: January, at 65s. per 480 lb. delivered ex-ship Hull; February, at 71s.; and March at 74s. From this date there was a rapid decline, and April opened at

65s., May 65s. 6d., and June 55s. During June it fell to 48s. 6d., or a decline of 25s. 6d. per qr. from the top price of March. From this time a gradual advance took place, July opening at 51s. 6d., August 59s. 6d., September 73s., and remaining at about 73s. to 74s. until October 9, on which date the Government took over the whole import of wheat for the United Kingdom. The immediate result of this was a rapid advance in export countries, and by November 9 No. 1 Manitobas were worth 80s. 6d., ex-ship, and up to the present time the Government price has not varied much. Although, owing to extreme scarcity, millers would be willing to pay 2s. to 3s. per qr. more for anything available, the quantity arriving in the port of Hull has been so small that they have been obliged to bring wheat by rail from Liverpool and Manchester at a cost in carriage of about 3s. per qr.

The following table shows the imports of cereals, etc., into Hull up to the 12th December this year, and the corresponding figures for the four previous years:—

	1912.	1913.	1914.	1915.	1916.
Wheat..... qr.	4,253,804	4,005,809	3,754,518	3,859,510	2,483,186
Flour.....cwt.	224,390	203,359	136,159	97,659	55,674
Barley..... qr.	892,375	851,846	250,537	336,390	361,738
Oats..... qr.	443,584	485,777	300,438	137,957	71,684
Maize..... qr.	943,818	808,495	781,448	1,018,708	608,882
Flax.....cwt.	25,380	14,556	33,747	35,896	12,374

SEED AND OIL TRADE.

Canada is only interested in this trade as far as it is connected with the consumption of linseed. There has been an unprecedented rise in the value of this commodity, Plate linseed being worth 104/- per quarter in 1916 as against 72/- in 1915. Up to December 12, 1916, 1,099,951 quarters of linseed were imported into Hull as against 942,644 in 1915, and 896,247 in 1914.

TIMBER.

The timber trade has been characterised by considerably increased prices, and prices already made and in prospect for next season promise still further increases. The quantities imported have been considerably below those of last year, and there is a very small stock in importers' hands at the close of the season. There is, in fact, almost a famine in many sizes, especially boards, and every likelihood of record prices being obtained.

The aggregate timber imports to Hull up to 12th December of this year, and the corresponding dates of the last three years were:—

	Hewn Timber.	Sawn Timber.
1913.....	276,164	690,061
1914.....	137,218	442,768
1915.....	151,285	604,367
1916.....	208,529	382,081

SHIPBUILDING.

More attention has been given to mercantile tonnage than in the previous year. Definite information is not available owing to war considerations, but

it is stated that, on the Tyne, all previous records as to new tonnage have been far surpassed. On the Humber, also, shipbuilding has been very active.

THE GLASS BOTTLE TRADE.

This industry has been very active, though seriously hampered by lack of labour. A noteworthy feature has been a considerable increase in the imports of glass manufactures, mainly from the United States and Japan, which have been offered at keenly competitive prices.

STEEL DEVELOPMENT IN SHEFFIELD.

Great extensions of works and equipment have been carried out in Sheffield, and the output of steel and engineering materials has been the largest in the history of this centre. Restrictions imposed by the Ministry of Munitions with the object of assuring that war work shall have prime consideration are proving very irksome. It is feared that many cutlery concerns will have to be closed unless there is a modification of a recent order that no Bessemer or open-hearth steel shall be supplied to cutlery manufacturers. The non-ferrous trades have been largely employed on war work, and there has been considerable difficulty in filling orders for silver and electro-plated goods.

LEATHER AND BOOTS AND SHOES.

Government control of leather, gradually extended from the first orders dealing with heavy sole leather suitable for military footgear till it finally covered upper boot leather, have placed serious difficulties in the way of production for ordinary civilian purposes. The production of boots for the British and Allied Armies has been considerably larger than during 1915, and the total output for this purpose is placed at 30,000 000 pairs of special Army boots. The manufacture of civilian boots and shoes has been considerably below the requirements of the market, and stocks in the hands of wholesale and retail distributors are now very low. Prices are nearly 100 per cent higher than in pre-war days.

WOOL AND TEXTILE INDUSTRIES.

The outstanding feature in connection with the important wool and textile industries in Yorkshire has been drastic government action in commandeering the wool clips of the United Kingdom and of Australasia, following previous steps taken to control and fix prices for the spinning of yarns. This has been followed by the fixing of prices for the manufactured product, and the government control of machinery and of commandeered wool and tops and yarns produced therefrom when used for government work. It is feared that it is the intention of the War Office to take full control of all supplies of raw material, and to dictate the purpose for which it shall be used, with the object of restricting the production of materials in the home market, and encouraging the export trade after military requirements have been provided for.

The shortage of both male and female labour has seriously restricted output during the year, and in all departments, a considerable percentage of machinery has been idle for lack of operatives. This difficulty is being coped with by two Advisory Committees on man-power and production, one for the woollen and the other for the worsted industry.

Costs of production have greatly increased, and consequently the selling price of goods has reached record figures. Thus: during the eleven months ending December 12, 48,481,300 yards of worsted tissues were exported, the value of which was £6,683,857, whereas in the corresponding period of 1914, there were exported 66,221,200 yards, of which the value was only £5,835,361. In general, the woollen and worsted industries have greatly benefited by the war, and large excess profit taxes have been paid on the year's business.

GREAT BRITAIN.

REPORT OF TRADE COMMISSIONER.

(Mr. Harrison Watson).

LONDON, January 15, 1917.

RE-ORGANIZATION OF THE TRADE COMMISSIONER SERVICE.

Last spring the United Kingdom Service was re-organized or unified to the extent that the London Office was made the Chief Office of the System, and the London Commissioner empowered to exercise a general supervision over the work of the other offices in certain matters, with the object of securing greater efficiency by mutual co-operation and consultation, and to avoid unnecessary duplication. It was felt that greater and more valuable results could be achieved by joint action in carrying out a general policy and plan of campaign, than is possible from isolated individual effort.

The change has created a great deal of additional work, mainly administrative, for the London Commissioner, in which connection each of the Provincial Offices was visited during the year, some on more than one occasion. The practical help which the Service was able to give to the Canadian Government Trade Commission during its visit to Great Britain afforded an immediate illustration of the advantages of this closer co-operation.

While present conditions seriously restrict the development of Anglo-Canadian trade, in so far that actual transactions in many lines are practically impossible, the Commissioners are engaged in very thoroughly investigating the possibilities of increasing Canadian Export Trade to this country in each of their Territories, so that the information will be available when the War terminates and definite action is made possible.

The new system should also avoid a considerable proportion of duplication and waste of energy which has been taking place. Many correspondents in Canada are not aware that most of the industries of the United Kingdom are located in particular districts, and that similarly most branches of trade are likewise specialized to the degree that they are centred in particular cities.

Consequently, it frequently happens that when a Canadian correspondent writes separately to each of the Trade Commissioners asking him to make the same inquiry upon his behalf, he is unwittingly causing an overlapping of work to the extent that each Commissioner, if acting independently, would have to consult the same people, causing superfluous work to the Commissioner, and frequently annoyance to the business houses in this country.

It would therefore be a great convenience if the inquiry in such cases were addressed in the first place to the London Office alone, when the Chief Commissioner would take up the matter with the other Trade Commissioners in a position to co-operate.

CORRESPONDENCE.

Although exhibiting some falling off there have been received considerable numbers of letters, accompanied in some cases by catalogues, from Canadian manufacturers seeking export trade connections, and desiring preliminary information as to prospects in this market.

There have also been a number of applications from Canadian firms seeking new sources of supply of raw and semi-manufactured materials required chiefly by Canadian industries.

OFFICE CORRESPONDENCE.

The correspondence of this Office again exhibits a marked increase, the actual figures in comparison with 1915 being as follows:—

	1915.	1916.
Letters received.....	3,528	3,984
Letters despatched.....	4,299	4,713
Interviews.....	1,649	1,595

REPORTS.

During 1916 twenty-three periodical Reports were forwarded to the Department for publication in the *Weekly Bulletin*.

Upon account of the particular importance of the subject under existing conditions, a very comprehensive survey of the Annual Trade Statistics of the United Kingdom of 1915 made in January, was supplemented constantly by reference to important features appearing in the monthly Trade Returns, and through the courtesy of the Principal of the Statistical Office of H.M. Customs, it was also possible to transmit figures issued about the middle of the year showing the Imports of a number of Canadian commodities which are not included in the statistics issued for public distribution.

Endeavour was made to deal in the periodical Reports with happenings of Imperial and public interest, in addition to subjects purely associated with trade, and the following are among subjects which were reported upon:—

United Kingdom Timber Trade in 1914.

Chilled and Frozen Beef.

Shortage of Fish Supplies.

British Industries Fair.

Improved Prospects for Canadian Canned and Evaporated Fruits.

The Budget.

Import Prohibition.

Daylight Saving Legislation.

Trade after the War, as based upon the Report of the proceedings of the Board of Trade Committee, the Congress, the Association of Chambers of Commerce, and the British Imperial Council of Commerce.

The Refrigerating of Fish.

Rise in Food Prices.

Milk Powder.

Trade Union Congress.

Government Report on Control of Food Prices.

British Export Producers' Association.

Subsequent Government Action towards Control of Food Prices.

Lloyd's Annual Report.

Wheat Supplies.

The High Price of Provisions.

Appointment and Duties of Food Controller.

Periodical Reference to the Crops, Acreage and Live Stock.

DISTRIBUTION OF PUBLICATIONS.

During the year some 550 copies of Mr. Watson Griffin's "Canada: the Country of the Twentieth Century" were presented to Chambers of Commerce, public libraries, public institutions, universities and schools, newspapers, banks and financial houses, transportation companies, etc., the local distribution in their respective Territories being undertaken by the Provincial Trade Commissioners.

The information was evidently greatly appreciated and resulted in a large number of applications for copies of the book from business houses and private individuals.

Copies of the Forestry Branch Report on Wood Pulp, and a number of Mineral Reports were also distributed among business houses associated with the particular industries.

GOVERNMENT TRADE COMMISSION.

An important event of the past year was the visit of the special Canadian Government Trade Commission, which was appointed by the Minister of Trade and Commerce, to make a thorough investigation into the "possible openings and opportunities for Canadian products in Great Britain, France and Italy, particularly those which may be presented owing to the changed conditions resulting from the war, and on the other hand to ascertain what sources of supply there may be in these countries for Canadian requirements."

In accordance with instructions received, certain general preliminary information was prepared, and a number of arrangements provisionally made so as to be available upon the arrival of the delegates, and subsequently very comprehensive statistical and other reports were compiled, and a series of interviews arranged with experts associated with different industries and trades of interest to Canada.

The Commission proceeded to France after a few days spent in London in accordance with plans previously made, but during the short stay in London, with the assistance of the Secretary of the London Chamber of Commerce, and of the Secretary of the Associated Chambers of Commerce of the United Kingdom, arrangements were formulated whereby upon the delegates' return they would meet London business representatives of all trades in a series of conferences, and similarly, leading commercial men in a trip which they were to pay to the other important cities of the United Kingdom. In this latter connection the Provincial Trade Commissioners came to London to confer with the delegates, and as a result of a very thorough discussion they were asked to prepare elaborate reports covering trade conditions in their respective territories, and also to arrange a series of interviews with business firms desirous of discussing with the Commission subjects of all kinds relating to Anglo-Canadian trade, in which latter direction they had valuable assistance of the secretaries of many of the local Chambers of Commerce (Boards of Trade).

Owing to the unavoidable protraction of the French visit, the Commission was unable to return to England until August which, ordinarily the principal holiday month of the year, was even under present conditions an unfavourable time for holding conferences; indeed it is a strong testimony to the importance in which the Canadian mission was held that so many leading business men and municipal and other officials arranged, frequently at considerable personal inconvenience, to attend the meetings held in London and the other cities, and to be present at the visits to public works and factories and other functions which were kindly arranged for the instruction and entertainment of the delegates.

The itinerary of the Provincial tour was so fixed that the Commission visited each of the cities where there is a Trade Commission Office, and making

it temporary headquarters, interviewed a large number of business men in the particular districts interested both in Canadian export and import trade. In some cases they also attended meetings called for the purpose of discussing matters associated with the development of Imperial and Anglo-Canadian trade.

The delegates were very warmly received everywhere and the trip was in every way a success, the only drawback being that the Commission being unable to make a longer stay in the United Kingdom, found it impossible to accept invitations extended to them to visit other centres.

The universal impression was that the frank exchange of views between the two groups of business interests was of the highest practical value, and should form an important factor in stimulating the increase of trade between Canada and Great Britain after the war.

At the request of the delegates I was present during many of the conferences held in London, and also accompanied the party during its tour through the United Kingdom.

TRADE CONDITIONS IN 1916.

In the United Kingdom organization and re-organization have been the outstanding features of 1916, and have affected every branch of life, labour, industry and trade.

The conversion of plants of all kinds to the production of munitions and campaign supplies, and the devotion to similar purposes of the large number of new factories which have been erected, the shortage and dilution of labour, the prohibition and restriction of many imports and exports, the gradual control assumed by the Government over food and various other supplies, together with the adoption of various regulations for enforcing economy and preventing waste, have, moreover, necessarily exercised a direct effect upon trade, and besides diverting business in many instances into special and unusual channels, have restricted and checked ordinary transactions in many directions.

Taking into consideration the endless difficulties and complications resulting from the war, the foreign trade of the United Kingdom has been maintained in a remarkable manner, for even if inflated by high prices, the official figures for 1916 attain the colossal total of £1,553,307,393 and are regarded as especially satisfactory because the exports show a large increase over 1915, almost wholly in manufactured goods.

It is interesting to reproduce the figures for the last five years for purposes of comparison:—

	Imports.	Exports.	Total Trade.
	£	£	£
1912.....	744,640,631	598,961,130	1,343,601,701
1913.....	768,734,739	634,820,326	1,403,555,065
1914.....	696,635,113	526,195,523	1,222,830,636
1915.....	851,893,350	483,930,629	1,335,825,979
1916.....	949,152,679	604,154,714	1,553,307,393

If the continuation of heavy imports is criticised from an economic point of view, it must be remembered that this country is always dependent upon external sources for a considerable proportion of its food supplies, and of the raw materials required for its industries, the output of which is primarily needed to meet the requirements of its population. Further the valuation of these

imports being c.i.f. also includes the immensely high freights which have ruled, an item which does enter into the export returns.

It is an extraordinary testimony to the strength of the country that with so many of the chief industries wholly confined to the production of munitions and other government supplies, together with newly created plants called upon to replace enormous quantities of goods formerly supplied by foreign, and to a large extent enemy countries, it has been possible to carry on such a considerable and varied export trade.

ANGLO-CANADIAN TRADE.

Anglo-Canadian trade has naturally been considerably affected by the same influences, because many of the principal Canadian industrial plants have similarly devoted the whole of their output to the requirements of the Imperial and Canadian Governments, and while a wonderful growth in exports to the United Kingdom has resulted, the trade has to a considerable extent been entirely a special and temporary one, and while satisfactory and profitable to Canadian manufacturers, it has frequently prevented their taking advantage of opportunities of furnishing goods to commercial houses which Canada could otherwise have supplied. It is true that many of these opportunities are also to a considerable degree temporary in so far that they result from the war, and have arisen from inability of the trade to obtain supplies from pre-war foreign sources and from home manufacturers completely occupied with government orders, but upon the other hand there would have been the distinct advantage that many Canadian manufacturers would have been able to form connections with business houses in this country which should have been capable of permanent development in certain lines, while most of the government orders are obviously of a purely temporary nature.

The position has been reflected in the work of this office because while we have been very busily employed, activities have differed to some extent from those of the previous year.

In the first place the gradual co-ordination which has been developed in the purchase of supplies by the British Government, and to a varying extent by the other Allied governments with the consequent elimination of the middleman, has resulted in a considerable falling off in the applications received from merchants, contractors and commission agents in this country and to some degree in Canada. There has also been a reduction in the number of calls paid to this office by Canadian manufacturers and shippers visiting this country, doubtless because many of the leading enterprises had already investigated the position during the previous eighteen months, while others have been too fully occupied to be able to consider the possibilities of export trade.

Upon the other hand, arising from the growing desire to draw supplies of all kinds from within the Empire and thus render it self-supporting, there has been a steady flow of enquiries for information about Canada's products and resources. These have been made partly with a view to establishment of connections in staple lines when trade returns to normal conditions, and partly in the endeavour to ascertain to what extent and upon what basis Canada may be able to supply both manufactures and commodities which have not previously been exported to any considerable extent, and other goods such as minerals and chemicals, to quote examples, which while potential Canadian products, have not so far been developed or manufactured to any marked degree. In almost all cases these are wanted to replace supplies formerly drawn from foreign and now mainly enemy countries.

CANADIAN EXPORTS TO THE UNITED KINGDOM.

In spite of the increased obstacles which Canadian export trade has encountered from causes already referred to, supplemented by high freights and

scarcity of tonnage, it has steadily expanded in scope since the outbreak of war.

If many of the new departures, more particularly in manufactured goods, have fallen under the category of government purchases, statistics of imports for the general trade of the country include a number of Canadian articles which had not been imported previous to the war.

While a considerable proportion of this trade can only be of a temporary nature, there seems no reason why export trade should not be permanently developed in a number of directions, as a result of the new conditions which have come into existence.

It is obviously difficult to enumerate any definite list of commodities, because not only are conditions frequently and constantly altering in this country, but even under present circumstances entirely new developments are taking place in Canada.

Therefore at the risk of repetition it must be emphasized that the primary requirements of Great Britain under normal conditions are food products and raw materials.

Although actual transactions are restricted and hampered by war conditions the time is a favourable one for investigations with a view to the establishment of actual relations when the war is over, and Canadian manufacturers and shippers can be strongly recommended to look into the matter now, so that their arrangements may be completed when the time comes. The necessity of representation on the spot in this country has so frequently been referred to upon previous occasions, that it suffices here to again repeat the recommendation.

It may be of some interest to reproduce for more general information the following lists which were drawn up at the request of the Canadian Government Trade Commission, indicating Canadian goods which are actually being exported, or seem capable of export to the United Kingdom.

Apart from staple lines the lists are based upon information collected at this office, or some facts which have come to our notice, and it has seemed advantageous to separate the commodities into three different lists, as described in the respective headings:—

Staple Canadian Exports.

Wheat, oats, barley, peas, flour, oatmeal, cereal foods, apples, hay, seeds, bacon, hams, canned meats, canned salmon, canned lobsters, canned gallon apples, cheese, flax seed, oil seed cake, furs, hides, lumber (deals, planks, etc.) woodpulp (mechanical wet), asbestos, copper, nickel, silver, aluminum (ingots, etc.), cobalt, agricultural implements, leather, newsprint, organs.

Articles exported in less quantity, but in which trade seems capable of increase.

Canned vegetables (tomatoes, corn, baked beans, etc.), canned pears, and peaches, evaporated fruits, butter, eggs, poultry, casings, frozen and chilled beef, tallow, lard, hops, frozen salmon, frozen halibut, fish oils, chemical wood pulp (sulphite) mica, talc and soapstone, graphite, wood alcohol, acetone, acetate of lime, acetic acid, formaldehyde, calcium carbide, hair, broom, tool and implement handles, dowels, flooring, turnery and woodenware of most kinds, box shooks, bronze powder.

Articles mainly the subject of inquiry resulting from the war, permanent trade in some of which depend upon particular circumstances.

Milk powder, flax fibre, quills, antimony, magnesite, manganese, felspar, molybdenum, tungsten, zinc spelter, wire nails, wire and netting, iron pipe, hollow ware, railway sleepers and telegraph poles, picture moulding, bentwood furniture, three ply veneer, chair stock, toys, kraft wrapping paper, piano actions, brooms and brushes, glass bottles.

INQUIRIES FOR CANADIAN PRODUCTS.

Inquiries as to the possibilities of obtaining particular commodities from Canada obviously refer mainly to staple lines.

Applications, however, during the past year included a number of articles which so far have only been sent to this country to a limited degree or not at all, so it is interesting to reproduce a list of them as follows: flax fibre, liquid resin, silver spruce for aeroplanes, dyewood extracts, sulphuric acid, cod liver oil, milk powder, dried codfish, dried vegetables, canned baked beans, cigars, wood bungs, brush blocks, cardboard, wrapping paper, newsprint, glass bottles, toys and games, infusorial earth, tungsten, zinc spelter, asbestos cement sheets, pig iron, boiler tubes, shafting, steel sheets, iron pipe and fittings, wire, wire nails, wire netting, brass wire, brass sheets.

APPLICATIONS FROM CANADIAN EXPORTERS.

Similarly, while as previously mentioned, the list has been shorter than last year, quite a number of Canadian manufacturers and shippers looking for export trade and asking to be furnished with preliminary information as to prospects, have advised this office of their desire to effect export connections. In some cases inquiries were accompanied by catalogues and other details, but many correspondents furnished no information at all, or such vague particulars as to be useless for practical purposes.

Here again many of the goods do not require special mention, but the following are articles which have been the subject of special inquiry and investigation resulting from which, in a number of cases, principals have been placed in touch with each other and have negotiated with a view to the establishment of actual business arrangements: stoves and ranges, cornbrooms, tables, office furniture and supplies, waterproof plywood sheets and corners, wire toys, rubber tires, bentwood bands for trunks, razor paste, chewing gum, sulphonated cod oil, cattle foods and remedies, roadmaking machinery, potato cultivating machinery, galvanized wire, spectacles, optical lenses, electrical supplies, iron bedsteads, aspirin, sodium chlorate, pickling onions, meat paste in tins.

At the same time it should be recorded that there has been a steady flow of applications for information about Canadian trade matters, frequently involving personal interviews and in connection with which the names of Canadian manufacturers and shippers are being constantly furnished.

A considerable proportion of these inquiries emanate from London export firms who, purchasing upon behalf of branches or customers in other parts of the British Empire or foreign countries, and being unable to obtain from United Kingdom sources, at least for prompt delivery, articles of all kinds which they ordinarily obtain from this country are desirous of ascertaining whether they can be replaced from Canada.

With the exceptional demand which United Kingdom industries are likely to experience for some years to come for reasons already referred to, there should be increased outlet for Canadian products in many parts of the world.

NEWSPRINT.

As is generally known conditions resulting from the war are favourable to Canada supplying this country with greatly increased quantities of wood pulp, of all kinds, and many interested are already looking to the Dominion to replace supplies formerly coming from foreign countries.

The position has, however, received such general publicity that it is thoroughly known in Canada, and moreover it has previously been reported upon by this office and other Trade Commissioners.

Another commodity, closely associated with wood pulp, is newsprint, for the production of which Canada also possesses great natural advantages.

Although newsprint has been manufactured in Canada to a considerable extent for some years past, practically all surplus stock has been exported to the United States, and comparatively little has been sent to the United Kingdom.

As the new conditions will affect newsprint almost as greatly as wood pulp, the Canadian Government Trade Commission considered it would be advantageous to obtain the fullest information as to the position in this country for the information of Canadian manufacturers, and previous to their return home, requested that I would co-operate with Mr. E. L. Crooker, who had been acting as their wood pulp and paper expert in the endeavour to secure this information. Acting upon advice of Sir George Riddell of the Newspaper Proprietors' Association, who kindly gave us the benefit of his valuable experience in the matter, it was decided to issue a letter to the principal newspaper proprietors and publishers, pointing out the importance of the newsprint industry to Canada, and asking them to supply to the Commission detailed particulars of their requirements in newsprint.

These details included size of reels, weight, substance, quality and quantity, it being left to the individual to supply such information as he thought fit.

The response was most gratifying, and as a result we were able to supply the Commission with elaborate details of the requirements of practically all the principal newspapers, with the exception of those who manufacture or otherwise control their own source of supply.

The position here before the war was that in 1913 newsprint to the weight of 131,443 tons was imported, 85 per cent of this total coming from Norway, Newfoundland, and Sweden in the order named. As will be known, this situation has been greatly affected by the war and not only has the price of newsprint advanced by nearly 100 per cent, but there has been the greatest difficulty in maintaining supplies.

It is understood that previous to the war, Canada had not found this country a profitable outlet for newsprint, but in any case the trade has been an irregular and intermittent one.

When sending in their returns a number of newspaper proprietors expressed the desire to purchase their newsprint from Canada, with the proviso that Canadian manufacturers must be prepared to take up the business more seriously and be in a position to guarantee regular supplies at competitive prices.

While this would necessitate drastic alterations and reorganization in the existing Canadian position, and supplies now going to the United States would have to be diverted to Great Britain, there ought to be no great difficulty in readjusting the situation to the extent that far greater quantities of newsprint should be regularly shipped to this country, more particularly if a preferential duty should be given to the Canadian article, as is anticipated by some prominent authorities.

In any case the demand for newsprint already large, is increasing, and this country offers a permanent outlet for the further development of this important Canadian industry.

In the meantime it is understood that the comprehensive information which publishers have so kindly provided will be of much practical value in supplying Canadian manufacturers with a more definite and comprehensive idea of the market than has previously been available, and may be a determining factor in inducing them to take up the trade upon an entirely new basis.

CANNED FRUITS AND VEGETABLES.

The past year furnished unique opportunities for increasing export trade in Canadian Canned Fruits and Vegetables to Great Britain.

This was due in the first place to the absence of supplies from usual sources, notable examples being Italian Tomatoes and Belgian Peas, and opportunities were further increased by the Government regulation which prohibited the importation during many months of Canned Fruits and Vegetables unless they were the product of the British Empire.

As a result many importers and dealers to whom Canadian canned goods were previously but little known, were eager to investigate the possibilities of securing supplies of all kinds from the Dominion, and whereas in the past gallon apples were practically the only item obtained from Canada, large quantities of Canned Tomatoes, Peas, Baked Beans and Pears were brought over.

As when the prohibition was brought in, I consulted practically all the principal London importers of canned goods, and forwarded a full report embodying their views which was published in the *Weekly Bulletin*, it suffices to state here that the general opinion held was that Canadian prospects were immensely enhanced, and if the packers would pay more attention to selection and quality in certain lines, they should be able to secure not only temporary but a considerable permanent outlet in these markets.

An important event in this connection was the visit to this country of a representative of important Canadian packing interests, who spent several months in investigating the position, not only in the United Kingdom, but also in France and Italy, and whose report should be of the greatest practical value to the Canadian canning industry.

It is unfortunate that just when the trade was making great progress, a deficiency in the supply of most vegetables and fruits should have been experienced throughout Canada, which renders it quite impossible for Canadian packers to fill more than a small proportion of the orders which could have been secured from this country.

In any case, Canadian canned goods have obtained a footing in this country, and if packers will only effect the absolutely essential improvements in certain lines which are necessary to bring them up to the level of similar goods offering from other countries, it should be possible with care and perseverance to secure a greatly increased permanent outlet here.

CANNED PINK SALMON.

When several years ago an inquiry was made with the object of popularizing the consumption of Pink Canned Salmon in this country, it was found that the article was regarded by both trade and consumer with such marked disfavour as to be reported by many authorities as quite unsaleable.

It was ascertained, however, that this position was partly due to prejudice, caused by the bad and careless selection and packing of some of the United States canners, who had placed supplies of the Pink variety upon this market, and for this reason some few dealers were optimistic enough to think that with improvement of methods and active missionary work, Pink Salmon might be gradually introduced on account of its cheapness in comparison with the higher grades and the impossibility of obtaining sufficient of the better qualities to meet the ever increasing demand for Canned Salmon.

The war has completely altered the situation, and for some time past Pink Salmon has been coming in in large quantities, and seems to be giving good satisfaction.

An important factor in addition to those previously cited, has been the very high price of the best qualities of canned salmon which placed it out of the reach of the poorer classes who, with the marked improvement in the quality of the Pink grade, have been satisfied to buy it in order to replace the more expensive kinds.

The best qualities of Canned Salmon have, moreover, been short and difficult to obtain, and with restricted supplies available from both Canada and the United

States, the Government authorities have been inquiring for some time past into the suitability of the Pink variety for campaign supplies, with the result that it has recently been announced in calling for tenders that they are prepared to consider samples and offers of the Pink quality.

INCREASED CO-OPERATION WITH BRITISH COMMERCIAL INTELLIGENCE DEPARTMENT.

Resulting from the arrangement concluded by the Minister of Trade and Commerce whereby the Services of British Consuls in foreign countries were made available to Canadian inquirers, closer co-operation between the Commercial Intelligence Department of the Board of Trade and this Office has steadily developed, and information which formerly was collected solely for the benefit of United Kingdom firms, is now largely available to Canadian applicants.

The Commercial Intelligence Department has steadily expanded since the War, and now includes Branches specializing in every kind of information, in most cases superintended by an expert.

Recently the Department has been further enlarged by the inclusion of the Foreign Samples and Exhibition Branches, and arrangements have also been made for co-operation with the Scientific and Technical Laboratories of the Imperial Institute, where extensive and varied research investigation is carried on.

During the past year we have constantly been in touch with the Department in connection with inquiries received from Canada, relative to British industries and export trade, and also in connection with the many trade regulations and prohibitions which have come into force, and in these matters as well as regards applications made to us by Canadian correspondents seeking a market for raw, partly manufactured and manufactured materials, we have received valuable and cordial assistance from the technical experts and other officials.

On the other hand, the Board of Trade frequently consults us about matters connected with Canada, and refers to this office inquiries addressed to them which refer to export trade from Canadian and to Canadian products and resources.

BRITISH INDUSTRIES FAIR.

While the British Industries Fair has had to contend with many difficulties, not the least of which arises from so many important industries being precluded from participation owing to their being temporarily, either as controlled or free establishments, wholly devoted to Government work, the second Annual Exhibition held in London last spring contained many evidences of important industrial development in several new directions.

Indeed the results have been so valuable to British trade that it has been decided to make the Fair an annual event, probably under permanent Government control, and, with a view to future expansion, it has been settled that while a Fair embracing mainly the branches of industry which have so far been included in the London Fairs shall continue to be held in London, other displays, covering different and additional trades, shall take place simultaneously in Glasgow and Birmingham all under the same control.

To Glasgow has been allotted textiles, boots and shoes, foodstuffs and domestic chemical products, and it has already been announced that the first Exhibition is to take place from the 26th February to the 10th March, at the same time as the London Fair. Birmingham will deal mainly with hardware and the associated industries with which that city is so closely identified, but it will not be possible, for obvious reasons, to hold this Exhibition until after the end of the war.

It is the aim and desire of the Government that the British Industries Fair shall supplant, as far as the Empire is concerned, the Leipzig Fair, and with that object in view, to encourage and welcome the attendance of buyers from Canada and all the other Dominions and Dependencies. The movement will derive strength from the decision that *bona fide* manufacturers from Canada and other parts of the Empire are to participate at these Fairs upon the same basis and conditions as those of the United Kingdom, so when normal conditions have been restored the British Industries Fair should become a very important enterprise, and be of great practical assistance in promoting Imperial trade, and as far as Canada is concerned a valuable opportunity for increasing export trade, because the Exhibition will be visited not only by all the principal buyers of the British Isles, but it is anticipated by leading representatives of the allies and neutral countries.

PROHIBITED IMPORTS AND SIMILAR REGULATIONS.

The continued adoption by the Imperial Government of regulations prohibiting or restricting the importation and exportation of certain articles, and for controlling the buying and selling of numerous articles, and similar measures, has resulted in a considerable number of inquiries being addressed to this office both by Canadian firms and United Kingdom houses handling Canadian goods.

In this connection it might be remarked that these restrictions have been adopted in the national interests and after careful deliberation, and while the authorities are desirous of being sympathetic to Canadian interests, it is difficult and usually impossible for them to authorize any departure from them.

In any case as regards the issue of special licenses for imports, such applications have to be made by the importer and not by the shipper of the goods, and in cases where particular trades and industries are suffering from the absence of commodities owing to their importation being prohibited, the proper procedure is for importers and consumers to make joint representations to the Department, with the object of having the position thoroughly discussed and investigated.

CANADIAN CUSTOMS REGULATIONS.

In the same way information has been constantly sought about special Canadian Customs legislation and regulations arising from the war, more especially as regards goods originating in neutral countries.

Action taken by the Customs to enforce the regulation already in existence calling upon United Kingdom shippers to state on their invoice the "Fair market value as sold for home consumption *at time shipped*" created a great deal of stir in this country, and for some weeks proved the subject of constant inquiry, complaint and opposition by shippers of all kinds.

GREAT BRITAIN

REPORT OF TRADE COMMISSIONER

(Mr. F. A. C. Bickerdike).

MANCHESTER, January 15, 1917.

OFFICE CORRESPONDENCE.

About nine hundred and fifty letters were received during the past year at this office and twelve hundred despatched. The majority of the letters received were from manufacturers or exporters in Canada who wished to be placed in touch with the British importers in the Manchester district. In all cases this wish was complied with and letters of acknowledgment and thanks were received from the Canadian correspondents. Results, however, were not as satisfactory as in some former years, principally on account of prohibitive freight rates, caused by Government withdrawals of much of the merchant marine for war purposes.

INTERVIEWS.

Three hundred and twenty interviews were held with all classes of merchants and importers. The subjects of these interviews covered customs information and regulations with reference to imports into Canada of British goods: egg shipments from Canada, wood-dowels, cotton duck, brooms and brushes, spruce deals, bobbin-wood, pit-props, chemical products, cheese, bacon and hams, electrical goods, barb-wire, nails, wood-screws, bolts and nuts, rivets, piping, wooden handles, lawn-mowers, washboards, pulp and paper, rubber goods, tubing for bedstead manufacturers, tinned steel mattress wire and bale ties, box-boards, flax fibre, munition parts, liquid eggs.

TRADE INQUIRIES.

During the year a number of trade inquiries were forwarded to the Department for publication in the *Weekly Bulletin*. These inquiries were on behalf of importers in this district who were desirous of obtaining the following goods from Canadian manufacturers or exporters:—

Liquid eggs,	Evaporated vegetables,
Leatheroid,	Horn fibre,
Oiled cloth,	Dry cells,
Honey,	Maple sugar,
Spruce,	Wood screws,
Mattress wire,	Electrical goods,
Box boards,	Magnesite,
Wire nails,	Tacks,
Broom handles,	Clothes pegs.

In this case also the same results have not been attained as in pre-war years, as in addition to high freights the import of many articles was prohibited by the British Board of Trade.

VISIT OF TRADES COMMISSION.

The Commission appointed by the Government of the Dominion to investigate opportunities for trade within the Empire after the war visited Manchester and Liverpool at the end of August. The members of the Commission were entertained by the Manchester and Liverpool Chambers of Commerce, the Mersey Docks Board, the Lord Mayor of Manchester, and Mr. R. B. Stoker, who is the chairman of the Manchester Liners and also President of the Chamber of Commerce here. The Commissioners through the courtesy of the Ship Canal Co., were privileged to visit the Ship Canal at Manchester and some of the factories and storehouses along the canal. The Chambers of Commerce at Liverpool and Manchester were kind enough to place their board-rooms at the disposal of the members of the Commission, and interviews were held with both importers and exporters.

REPORTS.

Twelve reports, in addition to the annual review, were forwarded during the year for insertion in the *Weekly Bulletin* issued by the Department of Trade and Commerce.

The subject matter of these reports covered:—

- Manufacture of "Humogen" or bacterised peat.
- Supplies of potash and sources thereof.
- Rise in commodity prices.
- Agricultural returns.
- Stores of grain at Liverpool and Manchester.
- Restrictions on imports.
- Coal production.
- Rise in copper.
- Shipping profits.
- Overseas trade.
- Decline in available tonnage.
- Shortage of cotton.
- Empire cotton growing.
- Trade of the ports in 1915.
- Ship Canal Traffic.
- Banking Returns.
- Leather supplies.
- British mercantile supremacy.
- Fishing results.
- Manchester imports from Canada.
- Apple prospects.
- Government prices for hay, straw, potatoes, maize, etc.
- The Timber Trade of Manchester.
- Record Wheat Prices.

THE YEAR'S COTTON TRADE.

During the latter months of the year 1916 there has been an extraordinary advance in cotton prices, and, when to these are added the extra costs of labour, mill equipment, finishing processes, freight and insurance, quotations for the finished article have necessarily been high.

As a consequence there has recently been quite a revival of interest in the possibility of substantial additions to cotton growing within our own Dominions. The question of supply in the near future is also complicated by the demand for cotton for explosives. The Lancashire cotton industry has also had to

compete at home with abnormally high wages, in other industries. Notwithstanding these abnormal conditions, good profits have been realized after paying heavy expenses.

PROFITS OF COTTON TRADE.

Summarising the results of one hundred cotton mills in the Lancashire district, we find that on a paid-up capital of £3,502,755, the net profit of the year's working amounts to nearly $11\frac{1}{2}$ per cent, against a loss last year (1915) of 8s. 4d. per cent. On the whole the year is the best since 1913, and not much below any year since 1907. These figures are extraordinary in view of the fact that middling American raw cotton was quoted at 12'59d. or over a shilling per pound in the month of November.

THE CLOTH MARKETS.

The total shipments of cotton piece goods during the eleven months ended November 1914, 1915, and 1916, according to the Board of Trade returns were as under:—

1914.....	5,459,839,600 yards.
1915.....	4,374,695,300 "
1916.....	4,756,143,400 "

The figures to Canada are:—

1914.....	65,880,500 yards.
1915.....	58,748,000 "
1916.....	69,585,900 "

THE YARN MARKETS.

There has been some falling off in the yarn exports to France, Switzerland and India, but those to other European countries and to the United States have increased. The comparative table taken from the Board of Trade returns, showing the shipments of cotton yarns during the eleven months is as follows:—

1914.....	168,561,800 lbs.
1915.....	173,343,300 "
1916.....	160,867,600 "

Exports of yarn to Canada:—

1914.....	2,132,500 lbs.
1915.....	1,791,600 "
1916.....	2,700,300 "

INDUSTRIAL PROFITS.

The difficulties of the past year have been great but the business profits in most industries have been extraordinary, shipping companies are probably the most fortunate in this respect, many of them literally rolling in money.

With all enemy tonnage off the markets and a great percentage of our own engaged in government work, freights have gone up by leaps and bounds. Neutral owners, being free from government commandeering, made undreamed-of profits. Companies which combined coal and iron enterprises gained on every hand.

Engineering companies were nearly all under control, but in every instance they have been allowed a margin over previous profits and by increasing their output they had no difficulty in improving their balance sheets.

The textile trades have been no exception to the rule. Nearly all brewing companies have about equalled the previous year's profits, and some of the larger concerns have even increased them.

MANCHESTER SHIP CANAL.

The Port of Manchester during the past year has been kept free from serious congestion. There was naturally a labour shortage and if more dockers had been available, more traffic could have been obtained and dealt with at the port. In spite of all the difficult circumstances arising out of the war, the gross receipts of the port show a gratifying increase. For the eleven months ended November 30 the traffic receipts of the Ship Canal Department amounted to £721,616 against £662,749 for the same period of 1915, or an increase of £58,867. With the exception of the month of July when there was a short stoppage of work arising out of labour dispute, each month of the year has shown an increase in revenue receipts over the corresponding month in 1915. The year 1916 constituted a land-mark in the history of the Manchester Ship Canal Company as the first year in which they were able to declare a dividend.

MANCHESTER GRAIN.

The total quantity of foreign grain (excluding oil-seeds) imported into Manchester direct during the year 1916 was approximately 569,179 tons compared with the final figures of 526,972 tons for 1915. Taking into account the conditions of the trade and the few sources of supply, these figures can only be regarded as highly satisfactory.

SOURCES OF GRAIN SUPPLY.

United States and Canada.....	504,563 tons.
Indian.....	34,632 "
African.....	15,918 "
Argentina.....	14,066 "

The above figures represent:—

Wheat.....	473,803 tons.
Maize.....	72,200 "
Barley.....	18,777 "
Oats.....	3,982 "
Beans.....	41 "

CANADIAN CHEESE.

Shipments from Canada to Manchester have been on a liberal scale. A large proportion of the make has been taken by the government for army purposes and they have been the chief buyers in Canadian markets all through the summer and autumn. The lowest point of the season was touched in the beginning of August when sales were made at 80s. c.i.f. From that point onwards the market advanced week by week up to 130s. c.i.f. in the middle of December. From May 1 to December 1, Canada shipped to this country 2,142,699 boxes of cheese, the largest export for nine years. This was 290,968 boxes in excess of 1915.

CANADIAN EGGS.

The quality of Canadian eggs coming to the Manchester district has been far more satisfactory the past autumn than was generally the case in 1915. Shipping facilities in the early fall were insufficient causing high freights on top of high cost prices. The trade was quite satisfactory on the few small lots which arrived in October and November, but owing to lack of shipping mentioned above, many carloads were delayed, but eventually reached here early in December ready for the Christmas demand.

Liquid egg and dried egg products to the value of £1,173,684 were imported into this country up to the end of October, none being imported in 1913. This product is chiefly used for manufacturing and confectionery purposes, and prior to the war it went chiefly to Germany.

LIVERPOOL IMPORTS FROM CANADA.

During the past summer season the chief direct imports to Liverpool from Montreal and other ports were as follows:—

Wheat.....	2,907,627 bushels.
Corn.....	868,011 "
Oats.....	165,532 "
Barley.....	76,522 "
Cheese.....	376,936 boxes.
Butter.....	29,285 pkgs.
Eggs.....	97,555 cases.

The foregoing figures show increases in oats, barley, corn, cheese, eggs and butter, over the season 1915.

MANCHESTER IMPORTS FROM CANADA.

During the season of open St. Lawrence navigation the steamers of the Manchester Liners, Ltd., carried the following goods direct to Manchester from Quebec and Montreal:—

Wheat.....	1,817,680 bushels.
Corn.....	701,290 "
Oats.....	304,076 "
Barley.....	120,986 "
Cheese.....	70,237 boxes.
Eggs.....	15,477 cases.

These figures show a decrease in wheat and cheese, but increases in corn, oats, barley and eggs, as compared with 1915.

CLASSES OF IMPORTS.

The following products have been reaching this district direct from Canadian ports during the seasons of summer and winter navigation. As a general rule these are transported by the steamers of the Manchester Liners, Ltd., with the addition of a few tramp steamers which generally carry spruce deals or pulp:—

Wheat,	Canned apples,
Oats,	Canned goods,
Corn,	Apples,
Barley,	Meats,
Flour,	Canned meats,
Bacon and Hams,	Spruce Deals, etc,
Pork,	Pit props,
Eggs,	Hardwood planks,
Lard,	Hardwood blocks,
Cheese,	Hardwood strips,
Bobbin wood,	Maple Flooring,
Elm lumber,	Box Boards,
Logs (birch, etc.),	Potash,
Asbestos,	Soda ash,
Mineral White,	Leather,
Corundum,	Saddlery,
Wire,	Pipes,
Barb Wire,	Aluminium ingots,
Nails,	Grey Boards,
Rivets,	Pulp Boards,
Woodboards,	Washboards,
Wheelbarrows,	Bake-boards,
Lanterns,	Machinery,
Dry Goods,	Ammonia,

Dowels,
Wire-cloth,
Underwear,
Shirts,
Tin-ware,
Bags,
Twine,
Bolts and Nuts,
Cobalt Oxide,
Lawn-mowers,
Pulp,
Phosphorus,

Roofing,
Knit goods,
Clothing,
Hosiery,
Cotton piece goods,
Spades,
Electric meters,
Grease,
Carbide,
Brushes,
Paper,
Wood Handles.

MANCHESTER TIMBER TRADE.

The year 1916 in the timber trade was notable for drastic Government restrictions and freight fluctuations. The Swedish rates dropped from £12 last March to below £4 which thoroughly demoralized business. Then again differences in the f.o.b. figures were quite insignificant compared with changes in the c.i.f.

Extraordinary prices have been realized for deals, chiefly for the larger dimensions, e.g. 3" x 11' thirds have been sold at £40-£42 and even £45, fourths at £36 and fifths at £34-£35. All deals are extremely firm. Statistics are not available covering the imports of timber at this port for the past year, but up to the end of November 265,332 loads had been received as compared with 334,336 loads for the 11 months of 1915. During the winter season of 1915-16, the steamers of the Manchester Liners, Ltd., carried the following quantities of timber, etc. direct from Canada to Manchester:—

Deals, boards, etc.—.....	348,267 pieces.
Pit-props.....	115,876 "
Pickets.....	62,450 bundles.
Hardwood squares.....	12,552 "
Last blocks.....	31,752 pieces.

HOLLAND.

REPORT OF ACTING TRADE COMMISSIONER.

(*Mr. Ph. Geleerd.*)

ROTTERDAM, January 9, 1917.

THE WORK OF THE OFFICE DURING 1916.

The correspondence in this office during the year 1916 was as follows:—

Letters received.....	579
Letters despatched.....	842

The number of interviews, including the calls made on business men and others in the interest of Canadian concerns, was 99.

Reports were made on the following subjects:—

Decrease in Holland's wheat production,
Sale and prices of sea-going vessels,
Government intervention in connection with the sale of ships,
Prices of wheat flour,
Competition between railways and waterways in Holland,

Railway freights,
 Condition of winter crops in Holland,
 The Dutch merchant fleet,
 Navigation Returns;
 Condition of small fruits in Holland,
 Condition of the fruit crop on June 1st.

EXPORT CONNECTIONS.

In the course of the year a number of trade inquiries were received from Canadian manufacturers and exporters as to the possibilities of placing their goods upon the Dutch market. The practice of personally interviewing the Dutch importers engaged in the trades in question was continued. In most cases it was possible to put the Canadian firms into touch with interested parties, and all the information that was obtainable was furnished to the applicants. In this connection it may be observed that it was sometimes necessary to direct the attention of exporters to the list of prohibited exports. Some of the importers stated that they did not wish to make new connections during the war on account of transportation and other difficulties.

The articles for which an opening in Holland was sought were the following:—

Barrel staves and headings,
 Canned fruits and vegetables,
 Electrical specialties,
 Flour;
 Gas engines for farm use,
 Iron ore;
 Iron and steel products,
 Leather and tan,
 Mechanical and electric interlocking apparatus,
 Paper and pulp,
 Plywood,
 Razor paste,
 Rubber goods,
 Sport and lumbering shoes,
 Steam towing machines and lathes,
 Steel office furniture,
 Sulphate of alumina and alum,
 Sulphuric acid.

INQUIRIES FOR DUTCH GOODS.

Inquiries were also received from Canadian importers and agents desirous of being placed in communication with Dutch manufacturers and exporters of the following commodities:—

Cocoa butter;
 Earthenware and chinaware;
 Gelatines of different kinds;
 Gin;
 Hides and skins;
 Pelts and Wool;
 Strawboard;

These requests were complied with, and full information regarding prices, addresses, etc. was forwarded to the correspondents.

OTHER INQUIRIES.

Canadian inquirers were furnished with information concerning the following special subjects:—

- Dutch Income Tax Act;
- Flax scutching machines;
- Fire in straw cover factory in Holland;
- Investments in Canada;
- Machinery for producing pressed potatoes.

DUTCH APPLICANTS.

Dutch concerns applied to the office, either personally or by letter, for the purpose of obtaining information in regard to business and other matters connected with Canada. These inquiries were answered as fully and promptly as possible. The principal subjects dealt with were:—

- Agencies for Canadian goods in Holland;
- Asbestos mines;
- Canadian dairies;
- Canadian exporters of asbestos and linen fire hose;
- Canadian manufacturers of rubber tires;
- Canadian Trade Returns;
- Canadian timber trade;
- Canadian Tariff and Customs regulations, certificates of origin and interest, invoice forms;
- Departmental publications;
- Emigration and employment;
- Exportation to Canada of: clover seed, dairy machinery, herring, plants, tea;
- Fisheries regulations;
- Forests and lumbering in Canada;
- Importation of pinus into Canada;
- Prohibition in Canada;
- Sailings and passages to Canada;
- Trust companies and trust investments.

CORRESPONDENCE RESPECTING INTERNED CANADIANS.

Considerable correspondence was carried on with the High Commissioner's office in London regarding Canadian citizens interned in Germany and Austria, and relatives of Canadians in Belgium. This correspondence resulted in an exchange of a great number of communications between this office and interned Canadians, the American Legations at Brussels, Berlin and Vienna, and American consular officers. In view of the great anxiety which was experienced with regard to the condition of the interned men at Ruhleben, inquiries were instituted to ascertain how they were. This office also arranged for letters and money to be transmitted to interned Canadians.

WEEKLY NEWS CABLEGRAM.

The Canadian High Commissioner's office has arranged to mail regularly to this office copies of the Weekly News Cablegram received from the Minister of the Interior at Ottawa. These cablegrams have been distributed to a number of Dutch financial institutions, newspapers, etc., and the information contained therein has often been published, thus keeping the Dutch public advised of interesting items concerning Canada.

DISTRIBUTION OF DIRECTORIES AND REPORTS.

During the year under review copies of the Export Directory of Canada compiled by the Department of Trade and Commerce, and the Canadian Trade Index issued by the Canadian Manufacturers' Association were placed in the hands of Dutch merchants likely to be interested in Canadian articles. Reports published by the Department of Trade and Commerce and other departments were distributed to Chambers of Commerce, newspapers, intelligence offices and others concerned. Canadian customs decisions and war measures were brought to the attention of newspapers and leading firms.

STANDARD SAMPLES OF CANADIAN GRAIN.

The Grain Associations at Rotterdam and Amsterdam were supplied with standard samples of the different grades of Canadian grain for the crop of 1915, and expressed their appreciation and thanks for this courtesy.

CANADIAN EXPORTS TO HOLLAND

As there are no Dutch statistics available by which it is possible to illustrate the imports from Canada into the Netherlands, the official Canadian returns have been consulted. The following statement had been compiled from the annual report of the Canadian Customs Department, and shows the values of articles of Canadian produce exported to Holland during the fiscal year March 31st, 1916:—

Goods, the produce of Canada.	Value.
	\$
Asbestos.....	4,500
Coal.....	630
Fish, dry salted.....	93
Meats, canned.....	60,660
Apples, dried.....	55,155
Fruits, n.o.p.....	1,200
Barley.....	319,403
Beans.....	10,650
Buckwheat.....	66,108
Oats.....	3,189
Pease, whole.....	35
Rye.....	25,387
Wheat.....	999,452
Flour of wheat.....	194,628
Cereal foods, prepared.....	11,430
Biscuits and bread.....	7,227
Maple sugar.....	6
Potatoes.....	675
Tobacco, leaf.....	3,848
Tobacco, stems and cuttings.....	8,897
Mowing machines.....	3,423
Harvesters and binders.....	1,320
Hay rakes.....	433
Other agricultural implements.....	1,586
Parts of agricultural implements.....	805
Clothing and wearing apparel.....	421
Drugs.....	1,600
Electrical apparatus.....	128
Household effects.....	550
Hose.....	14,607
Hardware.....	434
Metallic shingles and laths and corrugated roofing.....	2,428
Organs.....	1,140
Typewriters.....	9,577
Vehicles.....	615
Woodenware.....	174
Other articles.....	3,536
Total.....	1,815,950

The total exports to Holland for the fiscal year 1916, including foreign goods, amounted to \$2,563,626.

EFFECT OF THE WAR ON TRADE CONDITIONS IN HOLLAND.

Although the home trade and several branches of industry may look back upon a favourable year in consequence of the exceptional opportunities which war conditions have created for commercial and industrial development, the state of trade from the importer's point of view was generally not satisfactory during 1916. While on the one hand home and foreign markets, which were formerly supplied by belligerent countries, could be captured by Dutch business men, the import trade experienced almost unsurmountable difficulties, which must partly be put down to the geographical position of the Netherlands. Situated between belligerent powers, Holland had to face difficult problems in connection with the arrivals of foodstuffs for its population as well as for the stock of cattle, and of raw materials for its industries.

The Dutch Government continued to undertake the purchase and distribution of a number of foodstuffs and raw materials, and took other necessary measures in order to keep a sufficient supply in the country. The Netherlands Oversea Trust executed as well as possible their task of ensuring the undisturbed importation from overseas of goods for home consumption.

Needless to say that the shortage of tonnage and high freight rates also hindered the foreign trade to a large extent.

COST OF LIVING.

Owing to the effect of the war and accessory unfavourable circumstances, i.e., the short crops in leading grain growing countries, prices of food and materials showed an almost uninterrupted movement upward. The cost of living in this country and especially in the larger towns was about 35 per cent higher than before the war. Not only the prices of food, clothing, light, and fuel advanced, but also rent and taxes were substantially increased.

NEWFOUNDLAND.

REPORT OF TRADE COMMISSIONER.

(*Mr. W. B. Nicholson.*)

ST. JOHN'S, N.F., January 16th, 1917.

CORRESPONDENCE OF THE NEWFOUNDLAND OFFICE.

The number of letters despatched from the office of the Canadian Trade Commissioner in St. John's, Newfoundland, during the year 1916 was four hundred and ninety-six, and the number received, three hundred and thirty, many of the latter expressing appreciation for services rendered in supplying information of value to Canadian correspondents. Two hundred and sixteen enquiries by city and outport dealers desiring correspondence with business firms in the Dominion were received during the year, and the enquirers furnished with the names and addresses of seven hundred and forty-six Canadian manufacturers and traders.

TRADE ENQUIRIES DESPATCHED TO OTTAWA.

Enquiries received and forwarded to the Department for publication in the Weekly Bulletin number one hundred and twenty-nine, and include the following commodities:—

Groceries.	Fish Boxes.
Floor Canvas, etc.	Metal Ceilings.
Calcium Cyanamide.	Flour.
Lumber.	Barrel Staves.
Hoops.	Milk.
Feeds all kinds.	Boots, Shoes and Rubbers.
Duck, etc.	Builders' Supplies.
Roofing Felts.	Hardware, etc.
Ceilings.	Steel Beams.
Drain Pipes.	Chimney Tops, etc.
Shingles.	Tiles.
Flooring.	Elevators.
Axes.	Hosiery.
Brushes.	Pickles.
Blankets.	Spectacles, etc.
Covers for Soldiers' Caps.	Soldiers' Mirrors.
Military Badges.	Soda Fountains.
Dolls, etc.	Belting.
Wire Goods.	Beverages, etc.
Rubber Goods.	Breakfast Foods.
Steel Tires.	Dye.
Bacon, Hams, etc.	Beans, etc.
Beef.	Preserves.
Dairy Products.	Cloth, etc.
Stoves and Steel Ranges.	School Furniture.
Beer.	Oatmeal and Rolled Oats.
Pork.	Roofing Materials.
Tobacco.	Vegetables.
Poultry.	Green and Dried Apples.
School Requisites.	Overhalls.
Tinned Goods.	Fruit.
Eggs.	Extracts, etc.
Preserved Fruit.	Leather.
Shoe-findings.	Tea.
Cereals, etc.	Stearo.
Iron Pipe.	Upholstering Materials.
Chair-Squares.	Pianos.
Evaporated Apples.	Onions.
Tin.	Glass.
Sheathing Paper.	Grease, etc.

NUMBER OF INTERVIEWS HELD.

During the year three hundred and ninety-six interviews were accorded to Newfoundland callers, many of whom were furnished with special and general information relating to Canadian products, and eleven local agents suggested as representatives for twenty-three Canadian firms.

BIG INCREASE IN TRADE OF NEWFOUNDLAND IN 1916.

The prosperity enjoyed by Newfoundland during 1915 was well maintained in the year ended June 30th, 1916, and was in a large measure promoted by the continuance of the war, being evidenced by the large increase in imports as well as exports at this and other ports of the colony. The former advanced from \$12,350,786 in 1915 to \$16,427,336 in 1916, and the latter from \$13,138,880 in 1915 to \$18,965,493 in 1916. The exports represent the products of the fishery as having increased from \$9,639,789 to \$13,740,894, while the produce of the mine increased from \$690,746 to \$1,034,930 and local manufactures from \$2,227,781 to \$3,142,642. The total trade was the largest in the colony's history, having reached the unprecedented figure of \$35,396,829 compared with \$25,487,666 in 1915. The value of dutiable imports was \$13,940,128 compared with \$9,345,344 in 1915, and of free imports \$2,487,208 against \$3,005,446 in 1915.

ADVANCE IN PROCEEDS FROM FISH.

The fishery, the staple pursuit of the people, was financially very remunerative, for although the catch was about the same as in the previous year it is estimated that as a result of the advance in price, the fishermen received about a million and a half dollars more than in any year preceding the war, and it is claimed that even higher prices could have been obtained but for the blockade established by the Allied Nations against Greece—a market importing large quantities of Newfoundland codfish.

PREPARATION OF CODLIVER AND CODOIL.

Codliver oil and codoil are practically the same article, only prepared in different ways. The former which is used as a medicinal element, is obtained by steaming the livers of the fish in the fresh state, while the latter is extracted by allowing the livers to rot in the sun, and after having been subjected to several processes is used extensively for tanning and manufacturing purposes. The total production of both grades, though not accurately estimated is placed by some authorities at about one million gallons, with a total value exceeding one million dollars.

AN AVERAGE CATCH OF SEALS.

The seal-fishery, unlike the previous year, resulted in an average catch, the number of pelts secured being 244,302, and the net value \$639,657, while in the preceding year the number of pelts secured was only 47,004. The price realized for seal fat was the highest in modern times, a circumstance also due to the demand created by the war for oils.

NO MORE LARGE VESSELS FOR THE SEAL-FISHERY.

Several of the larger steamers engaged in this industry during the past ten years having been purchased by the Russian Government, the fleet this year is likely to be limited to ten or twelve small vessels. As a result of enactments passed during the last session of the Legislature regulating the seal-fishery in the future, it is thought unlikely that large and expensive vessels will again be introduced into this industry for some years, if at all, unless new trade conditions developing after the war should produce a type of ship that could be profitably employed in the seal-fishery and utilized otherwise during the rest of the year, but of this however, present indications give no prospect.

THE LOBSTER INDUSTRY.

The lobster fishery during 1915 resulted in 6,500 cases being packed, the value of which was about \$117,000. This industry has been declining for years, and the price since the war began has dropped from \$25 to \$18 and has been as low as \$12 a case, owing chiefly to the loss to the packers of the German market, which formerly took large supplies.

SMALLER QUANTITY OF HERRING.

The herring industry, it is estimated, will yield about 80,000 barrels, and though the quantity is smaller than in the previous year, the financial equivalent will be about the same, amounting to about \$500,000. Efforts are being put forth to expand this industry by adopting the methods in vogue in Scotland, which largely increase the market value of this commodity. As yet this business is in its infancy, and will require years of painstaking effort to produce an article that will compare with the Scotch product.

ONLY ONE WHALING STEAMER.

The commercial salmon fishery showed a slight improvement, while the whale fishery which ten years ago employed eighteen vessels, operating in connection with a number of factories, and maintaining an industry that yielded export products of over five hundred thousand dollars, has now about declined to the vanishing point, only one whaling steamer having been employed, and that on the Labrador coast.

INCREASED OUTPUT OF MINES.

Mining operations were prosecuted on an increased scale of activity. The two companies operating at Bell Island, though production was somewhat curtailed after the war began, gradually increased their output. And as the demands for steel for munitions and similar needs increased, the labour force was increased correspondingly, and the competition from other quarters, together with the increased cost of living, resulted in bringing about a substantial advance in wages.

PAPER MILLS BUSY.

The mills of the Anglo-Newfoundland Development Co. at Grand Falls were operated until well on in the summer, or, until the restrictions imposed by the British Admiralty on paper imports compelled a suspension for some weeks, of half the plant, but other arrangements were finally made by which it became possible to utilize the whole production of the mills, and the idle machines were again started. The company determined early in the year to increase its manufacture of sulphite pulp for which additional machinery at a cost of about \$350,000 was installed, the object being to produce an additional supply for which there was an increasing demand in the British Isles. Consequently the total produce of the mill about equalled that of the previous year.

At Bishop's Falls in the same vicinity is a smaller mill operated by a London company manufacturing ground wood-pulp, and though operating at nearly full capacity during the year, no enlargement was attempted. The number of men employed by these two concerns is about two thousand.

DECLINE OF PITPROP TRADE.

Last year saw the cessation of the pitprop industry, which during the previous season had assumed considerable proportions. The decline is partly due to the difficulty in securing tonnage in which to freight this product across the Atlantic, as a result of which about 85,000 of the 150,000 cords cut remain unshipped with slight prospect of being exported this year, and also to the fact that the Legislature fixed a minimum price which log cutters in the colony have to be paid.

BOOM IN SHIPBUILDING.

Shipbuilding also has been revived and is being more actively prosecuted than heretofore, as an outcome of the growing need for shipping to transport the colony's products, the inability to purchase a sufficiency of suitable vessels abroad, and the encouragement given by the colony for the development of a local shipbuilding industry.

REVENUE OF COLONY INCREASES.

A further evidence of the prosperity of Newfoundland during the year under review is reflected in the increase in the revenue during the calendar years 1915 and 1916, which is said to have been as follows:—January 1st to December 31st, 1915, \$3,210,128, and in the same period for 1916, \$4,415,289, showing an increase in this item of over \$1,200,000. While the figures for the other departments are not easily obtained it is thought that they will at least equal those of 1915.

The increase in the customs revenue is due to several factors:—the increase of imports as a result of the enhanced prosperity, the high prices prevailing for all commodities—implying an increase in the payment of duty on *ad valorem* goods, the large importations of liquor in anticipation of the *Prohibition Law* coming into force with the beginning of the present year, and the filling up by merchants of various classes the depletion of stocks that took place during the first year of the war.

PROHIBITION IN NEWFOUNDLAND.

The colony is now under prohibition. The Legislature during the session of 1915 decided to hold a plebiscite in the autumn of that year, and if the number of votes required, namely, about 24,000, or the equivalent of the number which at the last political election returned the Government to power, would pronounce favourably for prohibition, the measure would be put into force from January 1st, 1917, thus allowing the liquor dealers fourteen months in which to dispose of their stocks. The result of the plebiscite being favourable the Act prohibiting the importation, manufacture and sale of intoxicating liquors is now in full operation.

TRADE WITH CANADA INCREASED.

Canada's share in the colony's total imports shows a gain of \$1,380,629, the total for the year being \$5,870,456 compared with \$4,509,827 in 1915, and from information obtained from importers, Canada's trade would have been considerably augmented but for the conditions existing in the Dominion as a result of the war. The colony's exports to Canada increased from \$1,537,385 in 1915 to \$2,021,972 in 1916, being an increase of nearly half a million dollars, showing a total trade with the Dominion of \$7,892,428.

NEW ZEALAND.

REPORT OF TRADE COMMISSIONER.

(Mr. W. A. Beddoe).

AUCKLAND, January 22, 1917.

CORRESPONDENCE AND INTERVIEWS.

During the year 1916 there were sent out from this office 1,548 letters while 680 letters were received. The number of interviews was 604.

REPORTS.

The following reports have been submitted during the year 1916:—

13 ordinary monthly reports.

1 annual report (1915).

Total reports, 1916, 14.

The various subjects dealt with in the monthly reports are enumerated below:—

Number of Bulletin.	Original Date.	Subjects.
638	February 21, 1916.....	Increase of trade with Canada. Large increase last year. New Zealand anxious to trade with Canada. Shipments by the "Niagara". Imports into New Zealand from Canada. Imports into New Zealand. Comparison of aggregates. Sources of supplies. Exports to Canada, 1915. Total exports from New Zealand, 1915. Tenders for government stores. Demand for high class paper.
641	March 20, 1916.....	Demand for Canadian goods. Reply in detail and promptly. Japan's trade with New Zealand. More representatives wanted. Custom's revenue for the year 1915. Taxation. Old age pensions.
643	April 17, 1916.....	Increase in Exports from Canada. Imports into New Zealand from Canada. Principal Increases and Decreases. Short Supplies in the Cycle Trade. Old Age Pensions. Agents in New Zealand. Tenders invited. Shipments by "Niagara". Imports into New Zealand.
653	June 12, 1916.....	Openings for Canadian Trade. Export and import figures of New Zealand. Banking Deposits in New Zealand. Advances and Discounts. Post Savings Bank Figures. Restricting Imports Causes Difficulties. Imports into New Zealand, 1915-16. Value of Imports into New Zealand. Comparison of Imported Goods in 1915 and 1916. Enemy Firms in New Zealand. Cost of Living. Amount Required to Purchase Food.
657	July 10, 1916.....	Commercial Situation. Second War Budget. Analysis of Revenue. Economy in Expenditure. Higher Income Tax. Charge on Mortgages. Estimated Revenue and Expenditure. Imports into New Zealand. Different Divisions of Imports. Average Retail Prices of Four Chief Centres, 1915-16.

Number of Bulletin.	Original Date.	Subjects.
659	August 7, 1916.....	New Zealand's Favoured Financial Position. Twenty-Seven Million Sterling for the War. Imports into New Zealand from Canada during the quarter ended June 30, 1916. Principal Increases and Decreases. Export of British Goods Prohibited.—Canada's Opportunity. Demand for Medium-Priced Motor Cars. Shipping Companies—Increased Share Values. Imperial Supplies.
663	September 4, 1916.....	Trade Conditions in New Zealand. Prices about at top. Licenses for Importers Relating to Foreign Trade. No Enemy Goods Allowed in New Zealand. Motor Car Trade Flourishing. Imports of Rubber Tires and Tubes into New Zealand. The Money Market. Principle Imports into New Zealand. Comparisons of the Divisions of Imports. Trade Between New Zealand and Japan. Principal Articles Imported from Japan. Patriotic Funds Collected in New Zealand.
667	October 2, 1916.....	Increased Exports. Exports see an Opening. Trade with New Zealand. Principle Imports in New Zealand.
672	October 31, 1916.....	Business Steadily Improving. Responding to Correspondence. Envelopes for New Zealand Government. Steel Sheets for Pipes. Imports into New Zealand from Canada during the Quarter ended September 30, 1916. Principal Increases and Decreases. Principal Imports into New Zealand. Live Stock in New Zealand. Sheep. Stock Slaughtered.

PUBLIC ADDRESSES.

The following addresses were delivered by your Commissioner in response to special invitations:—

Paeroa Debating Society—"Canada, the War and Afterwards."

Civic League—"Empire Trade."

Farmers Union Trading Company—"Advisability of Trading within the Empire."

City Recruiting Station—"On Recruiting."

Henderson " "

Waikamete " "

Avondale " "

Ellerslie " "

Savage Club, Auckland—"Canada."

Grafton Library Institute—"Can Germany Win?"

Auckland Museum Institute—"Canada, the Land of Mystery, Romance and Gold."

Napier Street School—"Canada."

Auckland Orphans' Club—"Canada's Place in the Empire."

Conference of Chambers of Commerce, Wellington—"Empire Trade after the War."

Chamber of Commerce, Te Kuiti—"Empire Trade."

Chamber of Commerce, Te Awamutu—"Empire Trade."

Beresford Street School Old Boys' Annual Reunion—"The British Empire."

NEW ZEALAND INTENSELY PATRIOTIC.

The outstanding feature of the commercial life of New Zealand last year is the intense loyalty of the people, exemplified in a general desire to deal within the Empire and to prosecute the war to a successful conclusion without reference to cost to the individual or loss of life. There are few prominent firms in New Zealand whose members have not experienced painful family losses. This, the smallest of the Overseas Dominions, has already sent 70,000 men to the front, and the monthly quota of 2,400 has so far been maintained, although there is a compulsory system by ballot in force—all of this by a population of approximately 1,000,000 souls.

The importance of not unduly depleting the man power of New Zealand is manifest when one considers that the men are mostly drawn from a class which is responsible for the production of foodstuffs so much in demand by Great Britain and her Allies.

New Zealand is patriotic, and until the war ends no sacrifice will be too great, no personal loss too heavy, provided only that victory finally crowns our efforts.

PRINCIPAL IMPORTS INTO NEW ZEALAND.

The following list of articles imported into New Zealand from all countries during the eleven months ended November 30th, 1916, and the value of same, together with the figures for the corresponding months of 1915, give an idea of the character and quantity of certain articles consumed in this country. It will be observed that the importations are steadily on the increase:—

	11 months, 1916.	11 months, 1915.
	£	£
Soft Goods—		
Apparel.....	1,107,704	842,979
Boots and shoes.....	358,195	305,398
Carpet and oilcloth.....	233,997	159,138
Drapery, n.o.e.....	287,361	214,040
Hats and caps.....	126,007	109,956
Hosiery.....	335,127	186,369
Millinery.....	89,085	82,995
Canvas.....	86,418	68,126
Cotton piece goods.....	1,576,795	979,450
Linen piece goods.....	38,579	36,827
Silk piece goods.....	274,280	182,464
Woollen piece goods.....	767,392	303,422
Hardware—		
Cement.....	1,173	5,456
Hardware.....	350,759	246,292
Iron—		
Bar, bolt, rod.....	240,331	145,773
Corrugated sheet.....	193,297	246,899
Fencing wire.....	128,920	84,305
Barbed wire.....	22,538	32,488
Pig and scrap.....	33,445	47,537
Pipes and fittings.....	238,016	241,115
Lead.....	36,592	34,067
Machinery—		
Dairy.....	80,470	59,723
Agricultural.....	133,380	101,255
Electric.....	433,846	296,350
Engines, gas, etc.....	61,684	94,079
Mining.....	19,866	31,810
Sewing.....	46,714	40,942
Nails.....	94,038	54,125
Railway and tramway plant.....	90,328	228,842
Tin, sheet and block.....	186,716	115,193
Tools.....	121,602	100,110

	11 months, 1916.	11 months, 1915.
	£	£
Foodstuffs—		
Confectionery.....	171,463	145,143
Fish, preserved.....	72,891	71,578
Fruit, dried.....	207,752	161,346
Fruit, fresh.....	150,036	123,692
Flour.....	46,660	93,230
Grain, unprepared.....	101,210	221,624
Jams, jellies, etc.....	12,183	8,681
Milk, preserved.....	7,150	15,408
Onions.....	14,918	12,297
Pickles and sauces.....	12,366	9,926
Rice.....	57,253	60,738
Salt.....	79,479	70,001
Sugar.....	837,606	1,038,583
Beverages—		
Ale and stout.....	42,483	49,953
Spirits—Whisky.....	482,337	247,969
“ Other.....	178,419	100,124
Wine.....	80,143	73,668
Cocoa, coffee, etc.....	83,190	88,540
Tea.....	367,929	430,085
Miscellaneous—		
Bicycles (inc. motor).....	114,366	52,520
Books, papers, music.....	227,951	208,556
Candles.....	34,012	35,405
Carbide of calcium.....	33,497	34,818
Coal.....	188,525	332,753
Cordage and twine.....	106,290	70,554
Cornsacks and woolpacks.....	267,486	274,789
China and earthenware.....	144,659	84,269
Glass and glassware.....	204,582	168,856
Furniture.....	39,556	32,144
Greases.....	10,829	6,504
India rubber goods.....	45,882	45,100
Leather.....	189,364	133,774
Leather manufactures.....	78,974	50,430
Manures.....	322,280	443,685
Matches and vestas.....	44,988	28,293
Motor vehicles.....	777,447	561,678
Oils—		
Benzine, etc.....	536,054	384,416
Kerosene.....	154,059	169,229
Castor.....	22,092	28,482
Linseed.....	66,476	48,080
Turpentine.....	27,107	17,811
Other.....	122,467	60,754
Paints, colours and varnish.....	209,871	147,361
Paper—		
Printing.....	268,557	201,697
Other.....	174,549	94,531
Pianos.....	90,411	73,833
Seeds, grass and clover.....	123,414	222,022
Stationery.....	155,302	103,750
Tobacco.....	355,128	298,380
Cigarettes.....	294,852	170,529
Cigars and snuff.....	21,825	19,431
Timber, hewn and sawn.....	136,580	261,713
Specie.....	1,224,980	974,114
Totals.....	24,371,746	19,757,312

The following is a comparison of the aggregates of the different divisions of imports for the eleven months:—

	1916.	1915.	Increase.
	£	£	%
Soft goods.....	5,280,940	3,471,164	52
Hardware.....	2,513,715	2,206,361	14
Foodstuffs.....	1,770,967	2,033,247	*13
Beverages.....	-1,234,501	990,345	24
Miscellaneous.....	5,589,432	4,866,081	15
Other goods.....	6,757,211	5,216,000	30
Specie.....	1,224,980	974,114	26
Totals.....	24,371,746	19,757,312	23

*Decrease.

The total apart from specie exhibits an increase of £4,363,568 or 23 $\frac{1}{4}$ per cent. The largest share of the increase is in the soft goods section, notably in cotton, silk, and woollen piece goods, apparel, hosiery and carpets. Foodstuffs show decrease owing to the heavy falling off in imports of wheat, flour and sugar.

Beverages show fairly heavy growth, practically all in spirits, as beer and tea, coffee and cocoa show decrease. With whisky the increase is half due to higher cost and half due to increase in quantity, but with other spirits it is chiefly due to increase in quantity.

Several items in the miscellaneous section show heavy growth, notably motor cars and cycles and naturally benzine, also books, china and glassware, leather and manufactures, paints, paper, stationery, tobacco and cigarettes. Probably with most of these lines it is largely price increase. The number of motor vehicles imported is 5,946 as compared with 3,365 in 1915, and 3,331 in 1914. The average value per car is £130, and they only pay 10 per cent duty.

FINANCIAL POSITION SOUND.

Total imports for the latter half of the year have been upon a heavy scale. For October and November the imports exceeded the exports by £958,963, while for the same period last year exports were in excess by £473,341. This change is due to a growth in imports of £1,231,036, and a decrease in exports of £201,268 chiefly due to shortage of vessels to carry the produce. However, this is a very short period for comparison, for the two years since the war started the excess of exports was £21,059,599 as compared with £3,517,025 for the two years before. This has meant a tremendous influx of capital into the country enabling the Government to successfully raise two loans locally aggregating nearly £13,000,000, and in spite of this, mortgage rates are fairly steady at 5 $\frac{1}{4}$ to 6 per cent.

STEADY DEMAND FOR CANADIAN GOODS.

A gratifying feature of the year's trade is the increasing popularity of Canadian goods. While it must be understood that the war is the primary cause of the increased demand, the result has been educational, inasmuch as it has served to demonstrate that Canada could supply acceptably goods, which, it was understood, could only be obtained from other sources.

Unfortunately, while the war created the demand, it lessened the supply—large and profitable orders covering a wide range of goods could have been placed, but they could not be filled. Specifically, corrugated iron, structural

iron, and steel for bridges and buildings would have found a ready sale as such goods could not be obtained from Great Britain. Mild steel round bars for bridges were in demand. The Government received tenders from United States sources exceeding £30 a ton for what previously could be obtained for £8. The offers were not entertained. At the request of this office tenders were again called for, and specifications sent to Canada, but there was no response.

HEAVY STOCKS IN HAND.

Notwithstanding the volume of business transacted during the year, heavy stocks are held in the principal commercial centres.

The gazetted returns show that up to the end of September the increase in imports in 1916 had approximately compensated for the decrease experienced in 1915, the total value for the two years being given as £43,577,376, compared with £43,924,738 during the two years ended September, 1914. These periods are almost identical with the first two years of war and the last two years of peace.

ANOMALIES IN THE RETURNS.

An analysis of the official returns discloses some strange anomalies, for comparison with 1915 or 1914 does not reveal that ratio of increase in price which it is well known has taken place. For example, barbed wire is given in the returns as having in 1916 an average increased cost of £5.10s per ton compared with 1914. It is common knowledge that barbed wire has nearly trebled in price since the outbreak of war. In this country the increased cost of that commodity is continually being quoted as an argument in proving the greatly increased cost of farming. The same applies to other articles.

PROBABLE EXPLANATION.

The difficulty in arriving at the "balance of trade" between this and other countries may perhaps be traced to the primage duty of 1 per cent imposed in 1915. This had the effect of bringing down to the lowest basis all valuations on goods which, when free of duty or subject to fixed rates, were previously often entered at an invoice cost that included freight and all charges. The exact cost to the community is probably further obscured by the fact that all returns are based upon the value at the port of shipment, plus 10 per cent which is supposed to represent freight, insurance and other charges.

BALANCE OF TRADE AFFECTED.

In dealing with the question of trade during the year, and the increase or decrease in imports from any given country into New Zealand, one touches the foundation of financial soundness and commercial understanding, so it is important that figures represent the volume, as well as the value, of the trade enjoyed. In New Zealand every importer knows that from 20 to 25 per cent is nearer the mark when speaking of increase in freight rates. If 10 per cent was not excessive in peace times, 20 to 25 per cent is not excessive in war times with war risks ranging from 1 to 10 per cent. When alluding to the trade of Canada for the past year it is well to keep these matters prominently in mind in view of the volumes involved.

HOW CANADIAN TRADE EXPANDED.

For the first three months of the calendar year the imports from Canada were £151,393=\$756,965. For the corresponding quarter in 1915 the amount was £234,318=\$1,171,590.

For the second three months of 1916 the figures were £202,245=\$1,011,225, and for the same period of 1915 the amount was £166,657=\$833,285.

For the third three months of 1916 the figures were £232,136=\$1,160,680; and for the corresponding quarter in 1915 the amount was £149,897=\$749,485.

For the fourth three months of 1916 the imports were £171,512=\$857,560; and for the corresponding quarter in 1915 the amount was £246,944=\$1,234,720.

The total for 1916 amounted to £757,286=\$3,786,430. This shows a decrease of 1916 as compared with 1915 of £40,530, accounted for entirely by the decrease in wheat which was imported in 1915 in large quantities. The following table gives the total by quarters:—

1916.	£	1915.	£
First quarter.....	151,393	First quarter.....	234,318
Second quarter.....	202,245	Second quarter.....	166,657
Third quarter.....	232,136	Third quarter.....	149,897
Fourth quarter.....	171,512	Fourth quarter.....	246,944
Total.....	757,286	Total.....	797,816

Decrease 1916 over 1915, £40,530=\$202,650.

Large importations of wheat in 1915 on behalf of the Government caused the returns of imports from Canada to be abnormally high, and by comparison they are lower this year than the previous one—Eliminate the wheat item and the general trade between the two countries shows a steady increase.

EASTERN CANADIAN SERVICE.

For the year 1916 the shipments from Eastern Canada have been four boats short. This has its effect upon the total imports.

The following percentages of freight have been supplied by the New Zealand Shipping Company:—

1916.	%
Paper (all classes).....	32 — Decrease.
Wire.....	12½ — Increase.
Steel and iron.....	15 — “
Nails and staples.....	9½ — “
Pipes (plain and galvanized).....	7 — “
Chairs and furniture.....	7 — “
Motor cars and parts.....	4 — “
Agricultural tools and machinery.....	4 — “
Provisions.....	3 — “
Carbide.....	3 — Decrease.
Wheels, clothing, leather, wyandotte, wood spirit, seed.....	3 — “

The following table illustrates the sailings from Eastern Canada:—

Steamer.	Date of Arrival.	TONS OF CARGO FOR				Total Tons.
		Auckland.	Wellington.	Lyttelton.	Dunedin.	
	1916.					
From Montreal—						
“Berwick Law”.....	January 2nd.....	1,129	1,671	652	732	4,184
“Waiwera”.....	February 8th.....	864	1,942	548	403	3,757
From St. John—						
“Waimate”.....	May 2nd.....	1,061	846	613	470	2,990
“Whakatane”.....	June 12th.....	928	957	481	606	2,972
“Pakeha”.....	July 30th.....	1,698	2,401	1,195	783	6,077
“Kaikoura”.....	August 23rd.....	1,635	1,684	695	627	4,641
“Booral”.....	October 10th.....	1,042	1,160	682	600	3,484
“Araluen”.....	November 26th.....	1,335	933	837	783	3,888
Totals.....		9,692	11,594	5,703	5,004	31,993

For purposes of comparison, the tonnage for the year 1915 is given below:—

Year.	Auckland.	Wellington.	Lyttelton.	Dunedin.	Total Tons.
1915.....	10,240	15,828	5,927	4,331	36,326
1916.....	9,692	11,594	5,703	5,004	31,993

WESTERN PACIFIC SERVICE TO VANCOUVER.

This service has been conducted regularly under disadvantageous conditions. Two vessels, the *Niagara* and *Makura* have kept a time table formerly filled by three vessels. The amount of tonnage from New Zealand to Canada amounted to 23,987 tons, as against 13,392 tons in 1915.

The amount of tonnage from Canada to New Zealand by this service during 1916 amounted to 14,585 tons, as against 13,615 tons in 1915.

IMPORTS OF LUMBER.

During the year the above subject was discussed with the Special Timber Trade Commissioner who visited New Zealand. He had access to the reports on the matter which had emanated from this office, and the position as stated therein has not varied. A good business is developing in 3-ply woods and Douglas Fir veneer.

DETAILS OF TRADE FOR 1916.

As it becomes imperative to mail this report in time to be printed early in the year, it is impossible to secure details of the year's imports. It is the purpose of this office, when such details are secured, to send an analysis of the amount of trade heretofore enjoyed by Germany which has since been diverted into Canadian channels.

NORWAY AND DENMARK.

REPORT OF COMMERCIAL AGENT.

(Mr. C. E. Sontum.)

CHRISTIANIA, January 19, 1917.

MONTHLY REPORTS.

The usual monthly reports have been sent in during the year.

Besides information about the Norwegian Pulp and Paper Market, which I have treated extensively in every report, since I understand from several Canadian correspondents in this line, that they are much interested in such information, the following subjects have been reported on:—

—	Subjects.
January 4....	The Whaling Season of Norway for 1915. To encourage the Danish smaller industry. Danish statistics of the cost of living in October, 1915.
February 4....	The Cod Liver Oil Market in 1915. The Norwegian Duty on Grain and Flour is demanded abolished during the War. Tanningstuffs from Sulphite Lye. Threatening Labour conflicts in Norway.
March 5.....	The Norwegian Milk Condensing Industry. The Labour Tariffs in Norway. Market for Cycle-lanterns and Cycle-pumps in Norway.
April 4.....	The Prolongation of the Labour Tariffs in the Pulp and Paper Industry not yet in order. A new Danish Invention for the Treatment of Wood.
May 7.....	Northern Sweden Pulp Mills in a difficult position on account of the enormous Freight Rates. The Labour Conflicts in the Norwegian Paper-Industry settled. Labour Conflicts also in the Iron Industries. Fish and Oil Trade.
June 6.....	The Norwegian Labour Situation. Serious Floods in Norway. The Norwegian Mackerel Fisheries. Export of Mackerel Prohibited. The Danish Co-operative Associations during 1913. The Market for Calcium Carbide in Denmark.
July 8.....	The Paper Export from Norway after the War. A new Law in Norway against the Destruction of the Forests. The Utilization of Sea-Weeds in Norway. The Harvest Prospects in Denmark.
August 8.....	Norwegian Route-Steamers on Foreign Countries. The Crop Prospects in Norway. The Norwegian Fisheries.
September 13.	Cheaper Paper for the Newspapers in Norway. Prohibition against Fish Export from Norway. An important Invention in the Iron Industry. A new Power-Machine. Turbine Tubing made from Wood. Experimental Creamery in Denmark.

—	Subjects.
October 12...	Paper Factories close down. Norwegian Cellulose Mill and Wood Industry in Russia. Export Prohibition for Condensed Milk from Norway. Canning of fresh Crabs. Large Import of Automobiles and Pianos to Norway. The Norwegian Fisheries.
November 20.	Enormous Lumber Prices in Norway. Still more of the Norwegian Paper Mills close down. Norwegian Shipowners place large Contracts for new tonnage with Foreign Shipbuilders. New Danish Overseas Trade Enterprises.
December 20.	Eight-hour Day-shifts resolved for the Norwegian Cellulose Mills. The Import of Flour, Grain and Corn to Norway. New Steel Works to be started in Norway. Butter Prices high in Norway and shortage of this article. Cattle, Swine and Horse Census for Norway. New Norwegian Export Calendar. The number of Motorcycles and Automobiles in Denmark. Danish Seed Cultivation and Seed Trade. Catalogues ought to be in English. Metric Weight and Measure.

LETTERS RECEIVED AND LETTERS DESPATCHED.

In connection with the service. During the year twenty-eight letters have been received twenty-three letters dispatched in connection with the service. Those letters that have not been replied to by me have been sent over to manufacturers and exporters here for direct reply.

The letters received have contained inquiries from Canadian exporters in the following lines:—

Canned goods, vegetables and fruits.
Electrical supplies.
Rubber tires.
Office specialties.

Canadian importers have written me on the following topics:—

Hardware.
Groceries.
Sardines.
Hides and skins
Fresh crabs, canned.

The present time of course is a rather difficult one to open up new connections for several lines on account of export prohibitions and the abnormal high freights, etc., but this will improve again after the war.

GENERAL VIEW.

While the year 1915 was for Norway and Denmark an abnormal year, seen economically, this has still more been the case with the year 1916. Not only have the circumstances for the import as well as for the export been still more unfavourable, but also the extraordinary difficulties for the trade and shipping which are natural consequences of the war have been sharper during 1916. The circumstances have also carried with themselves, that much of the information, which is otherwise obtainable in regard to trade matters is not now published.

When the year 1916 is to be characterized in a few words it must be said, that it has been a year with large incomes and an abundance of money, but with high prices on all kinds of goods, food-stuffs as well as everything else.

Large capitals have during the year come into these countries; but on the other hand the great masses of the people suffer on account of the high prices on all kinds of life-necessities.

THE IMPORT.

As the usual sources of the import have for the most part been closed, the import has come from more distant countries. Thus Canada and the United States have had an export to the Scandinavian countries as never before. Especially grain, flour and other household articles, different kinds of machinery, automobiles, hides and skins, oils, dry-goods and shoes, etc., show an enormous increase in the import from America.

The grain and flour prices have gone up enormously during the year and are still no doubt not at the top. Prices on all other kinds of goods are following suit.

THE EXPORT.

As regards the export from Norway the principal articles lumber, wood-pulp and fish-products in spite of the many difficulties show a good result.

Wood pulp especially has had a good year, *cellulose* even an excellent year. The cause, why cellulose has shown so good result has been the Swedish export prohibit, which made the prices in Norway rise to an extent, which could not otherwise have been expected; but this was also well needed, as this industry has for years worked under difficult circumstances.

The price of the raw-materials certainly also has gone up to twice what it was in 1914, but as long as the price of the ready product keeps as high as it does, this does not matter. However, the lumber which is bought now by the mills will not be ready for export until in 1918, and then the cellulose prices will likely be so considerably lower than they are now, that the mills will loose money.

The Fisheries show a fine result, as even if the quantities of several kinds caught have been smaller than during any of the past twelve years, the prices of both the fish and the by-products have been so very high, that the money-result must be named as exceptionally good.

SHIPPING.

Shipping has been even more profitable for both Norway and Denmark than exports. Especially this must be said about the first part of the year, as during the summer the freights went down somewhat and the expenses rose further all around. A great many Norwegian steamers have been sunk by the German submarines, which has caused the war risk premiums to rise considerably. As a consequence of the great losses large contracts have been placed in foreign neutral countries for new tonnage to replace the lost ships. Of this Canada has also got her share. Lately however, the Norwegian banks are not so liberal with supplying money for further construction, as it is thought with the present high purchasing-prices, it will not be possible for the new steamers to earn sufficiently to avoid loss for the share holders.

THE LABOUR MARKET.

The labour market has in Norway been uneasy during 1916, and there have been several strikes and lockouts. In several cases an understanding was arrived at with a hard-time increase in the wages and prolongation of the existing

contracts; but the conflict with the mine labourers and those employed in the mechanical industries, etc., comprising in all 65,000 hands, was very serious and was only brought to an end after the parliament had passed a law about compulsory arbitration with duty to immediately take up the work. This law the labourers loyally obeyed and the arbitrators came to an agreement about higher wages.

THE MONEY MARKET.

The money market has been satisfactory throughout the year. The Government bank (Norges Bank) has during the whole of the year had a very large gold reserve, and several of the private banks have strengthened their position by extending their share capital.

RUSSIA IN ASIA.

REPORT OF TRADE COMMISSIONER.

(*Mr. L. D. Wilgress.*)

OMSK, SIBERIA, January 15, 1916.

ESTABLISHMENT OF OFFICE.

During the year ended December 31, 1916, an office of the Canadian Commercial Intelligence Service was established at Omsk, Siberia. The Trade Commissioner arrived at his post on July 10, and at once proceeded to look about for suitable office premises. Two rooms were occupied on August 7 in the front of a two-storey brick building overlooking a large open space which adjoins the docks of the river steamers. The location is within convenient walking distance of the post and telegraph offices, leading hotels, banks and the principal business offices of the town. The two rooms in question comprise a small private office of the Trade Commissioner and a large room for general office purposes. A part of the latter has been fitted up as a reference reading room, where Canadian catalogues, trade journals and other literature are available for the use of callers. It is also hoped that in time a number of samples of Canadian products may be gathered together and prominently displayed in a form which will attract the attention of all who enter the office. In order that this feature may be complete and up-to-date, Canadian firms are requested to keep the office supplied with copies of their latest catalogues, together with discount sheets and price lists, and also if possible, with samples of the goods for which they desire to find a market in Siberia.

No little difficulty was experienced in obtaining suitable office assistance owing to the great demand at present for competent office clerks, who have a knowledge of both the Russian and English languages. It was not until the end of October that the Trade Commissioner succeeded in obtaining an assistant Mr. C. F. Just, the Canadian Trade Commissioner at Petrograd, kindly agreeing to the transfer to Omsk of his assistant, a Britisher who has already had considerable experience in this line of work, having been employed for some time as Secretary to the United States Commercial Attache at Petrograd. With adequate office assistance, it was possible to proceed with the details involved in the establishment and organization of a new Commercial Agency. It may be said that by the end of the year 1916, these preliminaries had practically been completed,

so that for the coming year the activities of this office of the Canadian Commercial Intelligence Service can be wholly directed towards furthering the extension of Canadian Trade with Asiatic Russia.

THE TERRITORY COVERED.

The territory covered by the appointment of a Trade Commissioner at Omsk is greater in area than that covered by any other office of the Canadian Commercial intelligence Service. It comprises that part of the Russian Empire which lies east of the Ural Mountains and the Caspian Sea and which is usually referred to as "Russia in Asia." The area of this territory is 6,245,010 square miles, or nearly one and three quarter times the total area of the Dominion of Canada. The distance across this territory by the railway line from the Ural mountains to the Pacific Ocean is approximately 4,132 miles. The total population of Asiatic Russia was estimated in 1911 at 18,826,500 people.

It would obviously be very difficult for a Trade Commissioner stationed at one point to efficiently look after the interests of Canadian trade over such a wide extent of territory, only partly served by railway connections. So far as the development of Canadian trade is concerned, however, the activities of this office must be chiefly confined to the more temperate parts of Asiatic Russia, or what is usually known as "Siberia." This is the territory which would seem to present excellent openings for future trade, of which it is hoped Canadian firms may be able to take advantage. In regard to physical characteristics, Siberia resembles Canada in many respects. There should therefore be many products manufactured in Canada which are suitable to the requirements of this market. Moreover, Siberia is undergoing a period of constructive development similar to that which has recently been concluded in Canada. This presents an opening for Canadian firms to supply machinery and equipment of the type used for the development of our own resources.

THE TRADE OF SIBERIA.

The total area of Siberia is over 4,800,000 square miles, or more than 1,000,000 square miles greater than that of Canada. The population of this territory may be estimated at approximately 11,500,000 people, of which the greater proportion are settled on the plains of Western Siberia. The country may be divided into two sections—Western and Eastern Siberia—which so far as trade is concerned are distinct from one another. Western Siberia is commercially an adjunct of European Russia, a large share of the trade of this district being handled by Moscow houses, who regularly send their travellers throughout the territory as far east as Irkutsh. The trade of Eastern Siberia on the other hand, is for the most part handled from Vladivostock, foreign supplies being imported by sea. A large share of the business is done by a few strong firms, who maintain stores in the principal centres. Only a little over 2,000,000 people however, are settled in the territory east of Lake Baikal. This district is therefore more thinly populated than Western Siberia, where trade is subject to European Russian influences.

TRADE POSITION OF VLADIVOSTOCK.

Previous to the war foreign goods for Western Siberia were imported either across the European frontier or through Baltic or Black Sea ports. There is an evident desire, however, on the part of Siberian retailers to become independent of Moscow, hence the tendency towards the establishment of local independent houses, who will order their requirements of foreign goods direct from the country of origin. This should result in a greater use of the Vladivostock route for the importation of goods for Western Siberia, especially those originating in North America. The long rail haul has hitherto been against the

importation of such goods through the Pacific port. The distance from the Baltic port of Riga to Omsk, the commercial centre of Western Siberia, is 2,362 miles, whereas from Vladivostok to Omsk the distance is 3,636 miles. In order that Canadian firms may more readily estimate the practicability of utilizing the Pacific route for shipments to Siberia, the following table is given, comparing the distances from Riga and from Vladivostock to leading centres of trade in Siberia:—

Town.	Miles from Riga.	Miles from Vladivostock
Irkutsk.....	3,910	2,024
Krasnoiarsk.....	3,230	2,770
Tomsk.....	2,952	3,048
Novo-Nicolaievsk.....	2,754	3,244
Omsk.....	2,362	3,636
Kurgan.....	2,028	3,972

It will be noted that the town of Tomsk may be taken as the point almost half-way between the two ports. It should be borne in mind that nearly three-fourths of the total population of Siberia are settled in the territory west of Tomsk.

TARDE ROUTES FROM CANADA.

Canadian exporters are advantageously placed for participation in the trade with Vladivostok. The shortest route to that port from North America is through the Canadian Pacific ports of Vancouver and Prince Rupert. The manufacturers of Eastern Canada have also the new route through the Panama Canal at their disposal on equal terms with their competitors in the United States. They are also favourably situated for the shipment of goods to Western Siberia by way of the Baltic ports. Mention should also be made of the attempts to open up the northern route to Siberia by way of the Arctic Ocean and the rivers of Siberia. Full particulars regarding the expeditions of this route which have been organized in recent years were given in reports which appeared in Weekly Bulletin Nos. 680 and 682.

CENTRES OF TRADE.

As indicated above, goods for Eastern Siberia are mostly distributed from Vladivostock, through which port the bulk of supplies for this territory are imported. Large firms with headquarters at this point maintain stores at the principal centres, such as Harbarovsk, Blagoveshtchensk and Chita, and control a large share of the trade. Irkutsk is an important administrative centre and the largest town in Siberia. It is the chief point of supply for the gold fields of the Lena river and the Lake Baikal mineral district. Commercially, however, the influence of Irkutsk is restricted, and the importance of this point is not likely to increase relatively in the future.

The chief trade-centres of Western Siberia are the points where the Trans-Siberian railway cross the principal rivers. This explains the rapid growth and commercial importance of such towns as Omsk, Novo-Nickolaievsk and Krasnoiarsk. The central position of Omsk makes it the chief point for the distribution of agricultural machinery. The town is also the headquarters for most of the firms exporting butter from Siberia. Tomsk, the old capital of Siberia, is still an important centre of trade for a district rich in mineral and timber resources. The centre of the exceptionally fertile agricultural district and rich mineral region in the foothills of the Altai is Barnaul, a town which promises

to become one of the most important railway and commercial centres of Western Siberia. Kurgan is another centre of importance, being surrounded by rich agricultural lands near the European Russian boundary. It is believed, however, and the present tendency would seem to indicate that Omsk will be the future commercial centre of Western Siberia, with the other points above mentioned as subsidiary centres for the distribution of supplies.

FUTURE PROSPECTS.

The development of Siberia since the completion of the railway less than twenty years ago has been remarkable. During the ten years preceding the outbreak of the war, emigration to this territory was being maintained at the rate of nearly 300,000 a year. This movement has been temporarily interrupted, but will be resumed after the war probably on an even larger scale. The principal hindrance to the further development of Siberia has been the lack of transport facilities. Hitherto communication between the various sections of the country has been dependent upon a single line of railway, supplemented in summer by steamboat services on the rivers which flow north and south of the railway line. The construction of branch lines was begun even prior to the war, but for the future an extensive programme of railway building has been planned, which should result in the opening up of large areas to settlement, and in the further utilization of the rich natural resources of the country. It has been estimated that the plains of Western Siberia are capable of supporting a population exceeding that of European Russia. In addition Siberia has rich resources in minerals, timber, furs and fisheries, which have been awaiting the advent of improved transportation facilities. It is therefore believed that the end of the war will inaugurate a new era of development for this territory. The increase in the population and wealth of the country as a result thereof will create a wider and growing market for all sorts of manufactured goods, which, since the country is practically without manufacturing industries, must in most cases be imported from abroad. This presents opportunities for future trade of which it is hoped Canadian firms may be able to take advantage.

PRESENT TRADE CONDITIONS.

The outstanding feature of the present trade situation in Siberia is the shortage of all kinds of manufactured goods which were formerly imported from abroad and the difficulty of replenishing supplies. The railway line is fully occupied with the transport of articles necessary for the prosecution of the war, while the port of Vladivostock is practically closed to the importation of goods for the use of private persons. Under such conditions general trade upon any considerable scale is impossible. Canadian firms desirous of trading with this market must therefore content themselves with making preparations for the resumption of normal business after the war. In certain lines the opportunity for establishing connections in the market is presented by the openings for the execution of trial orders by parcel post. The Russian regulations permit the sending through the post of packages weighing up to 11 pounds. This opportunity for getting their products known on the market has been availed of to a fairly large extent by the manufacturers of certain other countries, notably Japan and Sweden. While even this procedure involves uncertainties and delays, it must be admitted that a foreign firm, which succeeds in sending goods to Siberia under present difficult conditions, establishes a connection and a reputation for their goods, which are sure to prove of value when normal trade is once more resumed.

FUTURE REQUIREMENTS.

The return of conditions of peace will bring about a great demand for all kinds of goods to refill the depleted stocks, while importers in many cases will

not be anxious to avail themselves of the old sources of supply. German firms supplied Siberia with manufactured products to a surprising extent; hence the desire to establish alternative connections. This presents a situation which would seem to warrant careful study on the part of Canadian manufacturers with a view to ascertaining the possibilities of their doing business with this market. Canadian firms wishing to establish an agency for this territory should also begin to make preparations without delay, since many of the former agents of German houses are now desirous of revising their position by securing new agencies.

In order to further develop the great natural resources of Siberia, an extensive programme has been proposed for the construction of railways, tram lines, power plants, grain elevators, cold stores, irrigation projects, and other undertakings, and for the establishment of industries in the country. The execution of this programme will be undertaken as soon as the war is over, and a large part of the machinery and equipment required in connection therewith will have to be imported from abroad. Particulars regarding these requirements will be submitted from time to time to the Department of Trade and Commerce, Ottawa, and will be brought to the attention of Canadian firms in a position to supply such machinery and equipment by means of notices published in the Weekly Bulletin.

WORK OF THE OFFICE.

In view of the difficult conditions of trade with Siberia as outlined above, the activities of this office of the Canadian Commercial Intelligence Service during the past five months have been mainly directed towards investigating the openings which appear to offer the most promise for the development of Canadian trade with this market. The time has not been considered opportune for undertaking any active propaganda on behalf of Canadian products. Not only do importers in Russia prefer to wait until less difficult conditions of trade develop, but there is also an uncertainty as to how far Canadian firms are prepared to go in their desire to secure Russian business. In certain lines inquiries have been solicited where it has been thought that connections might be established through the execution of trial orders by parcel post. The attention of the Trade Commissioner has been chiefly confined to Western Siberia or the more populous of the two sections of the country as defined above. It has only been found possible to deal with trade openings in Eastern Siberia in a general way and by correspondence, for the reason that this district is commercially distinct and that the Trade Commissioner has not yet had the opportunity of visiting this section of his territory. It is hoped, however, that before very long a personal investigation may be made of the openings for Canadian trade in Eastern Siberia. With regard to Western Siberia, a difficulty arises from the fact that a large share of the trade is still handled by European Russian houses. In many cases, therefore, Canadian firms, who write requesting to be placed in touch with importers in this district, have to be referred to the Canadian Trade Commissioner at Petrograd for the reason that there are no houses in Western Siberia importing the particular line direct from foreign countries.

OUTFITTING OF OFFICE.

A great deal of time has been occupied in purchasing office effects and in arranging the system of keeping papers and other details connected with the establishment of a new office. The rooms have been furnished in a manner in keeping with the standing and needs of the Canadian Commercial Intelligence Service. Views of Canadian scenery and Canadian literature have been given a prominent place. For the outer room a stand has been purchased for the display of samples of Canadian products. Canadian catalogues and trade

journals are set forth on a long table near the entrance, while other catalogues and duplicates are indexed and filed away for ready reference.

The publishers of certain trade journals have arranged to keep the office supplied with copies of their publications without charge in the interests of their advertisers. This is an example which is commended to the attention of the publishers of other Canadian trade journals.

The official publications of the various departments of the Canadian Government are also kept in the office for purposes of reference should information upon the subjects dealt with be desired at any time.

TRADE INQUIRIES.

Since the establishment of the office last August a number of inquiries for Canadian products have been received and forwarded to the Department of Trade and Commerce, Ottawa, for insertion in the Weekly Bulletin. Among the articles enquired for, mention may be made of the following:—kid gloves, cotton silk gloves, ladies' hosiery, razors, motors, tractors, threshers, automobiles, flour mill equipment, lamp burners, hardware, typewriter supplies, dried and evaporated apples.

OPENINGS FOR TRADE INVESTIGATED.

Investigations have been made into the more important openings which seem to be presented for the extension of Canadian trade with this market. The results of these investigations have been embodied in the form of reports submitted to the Department of Trade and Commerce, Ottawa, for publication in the Weekly Bulletin. Shortly after the opening of the office particulars were gathered and forwarded to Canada regarding the proposed programme for the construction of railways, grain elevators, and cold storage plants throughout Siberia. This subject was first dealt with by reason of its importance in connection with the future development of the country. Since agriculture is the most important industry of Siberia, a thorough and exhaustive inquiry was made into the market for agricultural implements and machines. The results of this inquiry were published in a report which appeared in Weekly Bulletin No. 670. Some data regarding the terms of credit granted by German and other firms in this market prior to the war were also gathered and duly submitted to the Department. The openings for the sale of certain articles of hardware, the trade in dry fruits, the market for flour milling machinery, and the difficulties at present involved in sending goods to Siberia were among the other subjects investigated, and duly reported upon. In view of the present transport difficulties full particulars were also gathered regarding the expeditions which have been organized and sent to Siberia by way of the Kara Sea, and the opportunity was pointed out for Canadian participation in future expeditions.

The following is a list giving the subjects dealt with in the reports submitted to the Department for publication in the Weekly Bulletin from the Omsk office up to December 31, 1916:—

No. of Weekly Bulletin.	Omsk Date.	Subjects.
665	August 30.....	The Siberian Market. Division of Trade. The Development of Western Siberia. Lack of Transport Facilities. New Railway Lines Opened. Programme of Future Railway Construction. Probable Results of Railway Development. Supplies required for Railway Construction.

No. of Weekly Bulletin.	Omsk Date.	Subjects.
670	September 29.....	Additional Cold Storage Facilities. Grain Elevators. Opportunity for Canadian Firms. Possibilities for Future Trade. Present Trade Situation. Openings for Trial Orders. Market for Agricultural Machinery. The Allotment of Land. Need for Improved Implements. The Agricultural Machinery Trade. The Territory served. The Distribution of Implements. The Question of Credits. Opportunity for Canadian Firms. Market for Ploughs. Types of Ploughs sold. Opening for Canadian Ploughs. Drills, Harrows, and Cultivators. Complicated Agricultural Machinery. Threshing Machines. Opening for Tractors. Dairy Appliances. Other Farm Accessories. Sales of the Implement Depots.
673	October 23.....	The Granting of Credit. The Collection of Drafts. Information regarding Customers' standing. The Legal Position. Position in the Russian Far East. Summary of Credit Situation in Siberia.

PRELIMINARY PROPAGANDA.

In order that the establishment of an office of the Canadian Commercial Intelligence Service at Omsk might be made known to the various commercial interests in Siberia, letters were addressed to the Exchange Committees in the leading centres. These bodies correspond to the Boards of Trade which are organized in all the principal Canadian cities and towns. The Exchange Committee at Omsk expressed their desire to co-operate with this office in the encouragement of trade between Siberia and Canada. The Trade Commissioner accordingly had the honour of taking out an annual membership ticket, which entitles the office to the facilities offered. The assistance of the Exchange Committee can therefore be availed of for the purpose of obtaining information upon matters relating to Siberian Trade.

In addition to the Exchange Committees, letters were also sent to several of the representatives of Departments of the Imperial Russian Government located in Siberia, informing them of the establishment of the office and requesting their kind co-operation. The more important firms importing goods into Siberia were circularized in like manner.

The above preliminary work was followed up as far as the town of Omsk was concerned by personal calls and interviews upon matters of mutual interest.

Comments in the local press and remarks of callers served to indicate that the enterprise of the Canadian Government in establishing a Commercial Agency in Siberia was greatly appreciated by the commercial interests of the country.

ACKNOWLEDGMENT.

It is desired to take advantage of this opportunity for acknowledging and expressing thanks for the kind assistance and support afforded by the British Embassy at Petrograd and by British Consular Offices in the Russian Empire, particularly H. B. M. Consul at Vladivostock and H. B. M. Vice-Consul at Omsk, whose valuable co-operation and advice has been availed of by the Trade Commissioner on more than one occasion.

SOUTH AFRICA.

REPORT OF TRADE COMMISSIONER.

(Mr. W. J. Egan.)

CAPE TOWN, S.A., December 5, 1916.

ANNUAL REVIEW.

The Annual Review for South Africa covers the twelve months ending October 31, 1916, and although it is impossible to give details showing every phase of the work in a Trade Commissioner's office, the following paragraphs and tables will be useful in bringing home to interested Canadians the amount of work done in a year and the results which have been secured in efforts to increase Canadian export trade

INCREASE OF CORRESPONDENCE.

The total number of letters received and despatched during the year was 4,125, being an increase of 867 over last year. In addition there were sent from the office by mail, 610 parcels, consisting of samples, blue prints, catalogues, Canadian Government Reports, South African Government Reports, Canadian Provincial Literature and Canadian Trade Papers.

In letters sent out from the office, which were 2,258, a good number were follow-up letters to Canadian firms, who had made application to the Commercial Intelligence Branch of our Department in Ottawa regarding South African Trade Inquiries, published in Weekly Bulletin. These letters were acknowledged by a good number of Canadian firms who were up-to-date enough to place on record for our files the exact position regarding their export possibilities. These follow-up letters were also useful in bringing requests for further information from many firms, which being answered, have helped to make a connection with South African agents that has resulted in establishing an export business for the first time, and with other firms in preparing for South African trade which will come to them just as soon as their special and extra war trade will permit them to organize for regular export. On the other hand, many Canadian firms who show a passing interest by making application to the Department for the names of the South African inquirers have entirely ignored our follow-up communications; it may be that the war conditions make such rapid changes in the views held by the management of many manufacturers that the conditions prevent them going ahead as anticipated; that, however, should not prevent courtesy and business methods being applied and an acknowledgment made with some statement regarding possibilities in the future. The firms which keep in touch and show an interest in the efforts being made on their behalf are naturally on the live list and of necessity reference is first made to them when inquiries come to hand from either Government Departments, mining corporations or merchants who may be seeking a new source of supply.

SPECIAL WORK DURING 1916.

In addition to the regular work of the office and the special "follow-up" work with Canadian Trade inquirers, and the answers to their requests, special efforts were made along three lines, the first of which was an official visit to the principal centres of trade throughout South Africa. It is usual on trips of this

kind when interviewing merchants and their buyers to make notes of their requests which are eventually put under way from the office on return from the trip. Knowing that South African merchants were very keen on information regarding supply from Canada, I thought it best to prepare data from the files which would place me in a position to give information on the spot. The preparing of this work in condensed ready reference form, took a great deal of time, which however was well worth while, as it helped to bring immediate results to many Canadian firms.

The principal part of this work was in connection with the Directory of Canadian Exporters as compiled by the Commercial Intelligence Branch of our Department. To this book, under several of 3,859 headings, there was added the names of all Canadian firms who had shown an interest in South African Trade since the book was published in 1915. This meant an insertion under the different headings of 596 names. It also meant:—

Noting the names of Canadian firms represented and the address of their agents within South Africa, or the United Kingdom.

Noting the names of all Canadian firms who were up-to-date enough to have on our files copies of their catalogues, and discount sheets.

Noting the names of all firms who at any time by direct correspondence or through application to the Department in Ottawa, had shown a desire for export to this market.

Quite a number of Canadian firms keep the office posted *re* their position for immediate or future export. These were all noted and found exceedingly useful.

With information of this kind at hand when calling on South African firms, their interest is immediately aroused, and is of further help in securing from them information which could not be secured under ordinary conditions.

SOUTH AFRICAN INQUIRERS.

The second feature of the special work in 1916 was the securing of Trade Inquiries. From November 1, 1915, to July, 1916, there were published in the "Weekly Bulletin" 135 South African Inquiries, which up to November 1, 1916, have been answered by 278 Canadian firms. From July to November 1, 1916, there were secured and forwarded to the Department in Ottawa, 602 Trade Inquiries from South African firms and commission agents. These inquiries cover a demand for many more lines than the actual number of inquiries indicate.

The returns from Canada in respect of these inquiries can only be shown in the 1917 review, but from the first few notices to hand, it would appear that much good will result.

Further on in the report, tables will be shown that will give the exact number of inquiries under any one heading, as sent forward from purchasers or commission agents.

REPRESENTATION OF CANADIAN FIRMS.

The third feature of special endeavour during 1916 was the securing of reliable representation for Canadian firms prepared for export to this market. This feature of the work is difficult as very few Canadian firms are prepared to pay a subsidy towards the expense of placing their goods on a new market, and as a rule the better class of agent or commission house in South Africa, does secure these considerations from British and other houses. There is, of course, a great danger with subsidies of securing the services of supposed agents, who live on subsidies only and make little or no effort to make good for the firm they represent. This office has been approached by numbers

of this kind, who have invariably been turned down. The fact remains, however, that all first class firms do receive subsidies towards initial expenses at least, and as Canadians do not as a rule make any such offers, it means real hard work in convincing the right kind of South African agents or commission houses that it is to their interests to take up certain lines.

CANADIAN FIRMS REPRESENTED.

As a result of the campaign which has been carried on since August, 1913, for direct representation of Canadian firms in this market, there is now on our records a total of 169 Canadian firms represented in South Africa. This is an increase of 105 over 1913, and an increase of 145 over the number of Canadian firms represented November 1, 1914.

There are in addition, several Canadian firms shipping proprietary lines and chemicals, who owing to their limited scope of customers on this side, are not represented, but who through the efforts of this office have been placed in connection with South African firms and are now doing a regular export business to South Africa.

INTERVIEWS.

There has been a decided increase in the number of callers at this office seeking information about many subjects in respect to Canada; these interviews take up a considerable amount of time. Owing to the location of the office at Cape Town, many of the callers are from up country, which is very satisfactory, as it helps to create a different atmosphere than a merely local office is bound to assume after a certain length of time. One particularly pleasing feature of this year's visitors to the office was the extra number of callers previous to, during and after the annual Conference of the Associated Chambers of Commerce Convention. This year, owing to an extended trip throughout the country was fruitful in an extra number of interviews by your Commissioner.

The value of interviews, both at this office and during official trips will be best appreciated by careful scrutiny of the several tables shown further on in this report.

CHAMBERS OF COMMERCE.

Another medium of good value to Canadian trade during the year was the three days convention of the Associated Chambers of Commerce for South Africa, which was held in Cape Town, in September last. Your Commissioner was a guest at all their meetings. *Canada the Country of the Twentieth Century* and other literature was distributed. Many inquiries *re* Canada and its possibility of supply to South Africa as well as the possibility of export of South African commodities to Canada were answered.

The co-operation between this office and the Associated Chambers at this Convention resulted in an unanimous vote of thanks being tendered by the Associated Chambers.

SOME OF THE WORK DONE.

As the space for a review of this kind is too limited to go into details on each line, the following tables have been compiled showing at a glance the total work under different headings on any one particular line the reader may be specially interested in

FOODSTUFFS.

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Apples.....	1	1	2	7	14
" Evaporated.....	1	1	1	2	4
Army rations.....			1	4	7
Bacon and hams.....	19	4		1	2
Biscuits.....		2		1	2
Baking powder.....			1	4	5
Butter.....	1	5		2	2
Cheese.....	20	7	1	4	3
Canned goods.....	18	4	2	5	12
" Fruit.....	1	2			4
" Vegetable.....	1	1			2
" Salmon.....	9	9		2	
" Meats.....		1			2
Casings.....			1	3	6
Chocolates or Confectionery.....		4	2	2	9
Cereal Foods.....	11	10	2	3	5
Foodstuffs.....	11	12	4	1	2
Flour.....	16	18	3	7	10
Grocer's sundries or Proprietary lines....	11	12	4		
Jams.....			1	3	4
Milk condensed.....	17	6	2	8	7
Sardines.....		1			
Sausage supplies.....		1	1	2	4
Salt herrings.....		1		1	1
Wheat.....	1	8			

Foodstuffs.—As shown in the above table, South Africa continues her demand for supply in many lines of foodstuffs. An extra trade has been done from Canada in canned goods such as fruits and vegetables.

Condensed Milk has also made a good headway in imports from Canada. New representation accounts for the increased Canadian exports on the above lines.

Another line which should come direct from Canada is canned salmon. One of the propositions put up to your Commissioner and to which he has not been able to give a satisfactory answer is—how is it that direct quotations from Canada for your salmon are always higher than San Francisco, New York or United Kingdom quotations?

I am hoping that the building of ships for British Columbia lumber shipments, will also include mixed cargoes of British Columbia products and that this will help to bring our shippers into line with overseas quotations for their goods.

Good headway was made on flour during the early part of the year; increased Canadian prices and Australian delivery have helped during the past few months to lessen orders for Canadian flour. Two more Canadian Mills are represented than in 1915.

The shipping conditions have put us out of the field on apple shipments; the only lot received so far was on the *s.s. Kwarra*, including British Columbia, Ontario and Nova Scotia fruit, which owing to the limited quantity received has been bringing an average of .23 a box in Cape Town and 28 in. Johannesburg.

IRON AND STEEL GOODS:

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Acetylene hand lamps.....		2		2	
Axes.....	15	1	5	8	7
Aluminiumware.....	1	1			1
Axles.....	3		1	2	1
Boiler ranges.....			1	2	10
Beds, iron and brass.....	1	1		4	
Bifucated rivets.....		1		2	
Bolts and nuts—all kinds.....	9	2	2	4	3
Baths.....		1			
Bar iron.....	7			5	
Cocks, brass and iron.....		1	2	3	4
Cutlery.....	14	1			
Chain blocks.....		1			
Drill steel.....		2		1	
Enamelware.....	28	10	9	9	5
Elevator doors—metal.....	1	1			
Files.....	1			2	3
Forges.....			1	8	10
Fencing material—iron.....		1			1
Hardware—general.....	60	28	41	25	12
“ farming.....	7	1	3	5	
“ mining.....	8	1	2	8	
“ furniture.....		2		3	4
Hammers.....				1	3
Hammers—mining.....	2	1		2	
Handsaws.....	4				
Hacksaws.....	1			2	
Hasps and hinges.....	1	2	3		2
Horse shoes.....	1	1		5	1
Household utensils.....	32	2			
Iron and steel—cart and carriage material.....	15	2	2	4	9
Iron and steel sheets.....	3				
Iron tubing.....	3	5	2	4	4
Iron sheets, galvanized.....			1	2	2
Iron and steel casements.....		1			
Iron and steel—all kinds.....	12	6			5
Lanterns and lamps.....	14	1	2	2	3
Lawn mowers.....	1		4		
Locks.....	2	4			
Mining supplies.....	3	8	15	9	8
Metallic roofing.....			1	3	4
Metal ceilings.....	1		2	4	7
Nails.....	3	5	1	5	3
Pliers.....	4				
Plumbers supplies.....		1		3	2
Pitchforks.....	2				
Pickaxes.....	3				
Pocketknives.....		1			2
Rails.....	1	6	2	3	10
Railway supplies—Iron and steel.....	1	5	10	7	25
Railway fog torpedoes.....			1	2	11
Railway signalling apparatus.....		1	1	2	3
Razors—safety.....			1	2	2
Rifles and guns.....	2				
Shovels.....	29	9	9	7	4
Scales.....			1	3	4
Spikes.....	1		2	2	1
Steel castings.....			1	2	3
Stoves.....	30	5	3	10	30
Sewing machines.....	1				
Stoves—gas.....			1	2	4
Safes.....		1	2	3	7
Stoves—electric.....			3	5	6
Steel plates and angles.....	2	1			
Steel structural.....			1	4	7
Standards—fencing.....		1			
Steam fittings.....		1	1	3	2
Springs upholstery.....	1				
Springs helical.....	1		2	3	8
Springs—steel wire.....	3				

IRON AND STEEL GOODS—*Concluded.*

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Steel rods and bars.....	4				
Shaftings.....	1	2			
Tubular rivets.....	1				
Taps, brass.....		1			
Tools.....	31	5	6	5	2
Tanks.....			1		3
Wire—fencing.....	19	8			7
“ electrical.....	1		1	3	2
“ cable.....			1	3	2
“ netting.....	12				
“ baling.....	12	1			
“ screening.....			1	4	5
“ copper.....	1				5

Iron and Steel:—For the twelve months under review Canada has made big headway in the iron and steel trade with South Africa. Bar iron, tubing and nails have been received in big quantities. When the tubing and nails were first received, there was some complaint regarding the packing; there is none now, as the conditions were immediately remedied when brought to the attention of the Canadian shippers.

The improvement in Canada's position is shown by the fact that many of the buying requisitions from the Mines, on the Commercial Exchange, Johannesburg, are now specifying for Canadian wire nails. This proves the value of coming after the trade with a determination to make and ship according to the requirements of the trade.

For several months Canada supplied a good portion of iron tubing. With the elimination of German piping firms, the opportunity to secure and hold a big share of the market is still at hand.

The South African market is very keen on the possible supply in iron and steel goods of all kinds from Canada. South African firms are anxious to buy Canadian goods in these lines, but to do this they must see samples. The big success for Canada in iron and steel goods during 1916 is due to direct representation. If Canadian manufacturers of iron and steel goods will only follow up the Trade Inquiries as shown in the above table, either from actual purchasers or agency Trade Inquiries, business is sure to follow if prices are near right.

Good orders have been placed with Canadian representatives during the past year on enamelware, horseshoes, hammers, axes, pickaxes, shovels (in thousand of dozens), stoves, tools, wire, hardware, valves, forges and other lines.

Several Canadian manufacturers of iron and steel goods have only recently arranged for representation, but already good sample orders have been placed, although the extremely heavy ocean freight charges have a tendency to restrict buying.

Orders for electric supplies, such as switches, irons and heaters, have been placed with Canada and the prospects are very good for increased trade in these lines.

One line of electric stoves has had a thorough test by one municipality, satisfactory reports have been made and business seems sure to result.

MACHINERY—AGRICULTURAL AND ARTICLES FOR USE IN AGRICULTURE.

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Binder twine.....	17				1
Bee appliances.....		1			
Cream separators.....		2	2	5	7
Cylinder foot valves.....	1				
Churns.....	2				2
Farm tools.....	15				
Hoes.....	4				
Implements, agricultural.....	13	4	4	7	8
“ farm and garden.....		1			1
“ dairy.....	14	3	3	5	7
Incubators.....		1			3
Lightning rods.....			1		2
Lathes.....			1	4	5
Machinery, agricultural.....	10	10	8	12	9
“ dairy.....	16	3	2	7	2
“ hand and power.....		1			
“ potato.....		1	1	3	4
“ threshing.....		1	1	5	12
“ spraying.....	2	1	4	6	3
Oyster shell, crushed.....	1				
Pumps.....	5	4	1	4	9
Pump rods.....	1				
Ploughs.....	10	2	6	8	3
Plough parts.....	1				
Rakes.....	3	1	1	2	3
Seed drills.....	1				
Strainers.....	1				
Silo patterns and machinery.....	1	1			
Tractors.....	1	1	1	3	7
Windmills.....	2		1	4	5

Agricultural Machinery.—Through the medium of this office, arrangements have been completed which gives representation for the first time to four Canadian agricultural machinery and implement houses, and already business has resulted which should make a material increase in Canadian exports under this heading, although the labour conditions in some Canadian plants have prevented them turning out the number of goods placed on order.

One line of heavy agricultural machinery shipped for the first time has opened up very satisfactorily and promises big business in the future under normal shipping freights. Agricultural conditions are improving all the time in South Africa, and there is room for big expansion in this trade for our Canadian Manufacturers who, however, must put at least as much time and money into sales organization as they do to develop the trade in any one Canadian Province.

MACHINERY GENERAL.

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S. A. Firms.	Amount of Corre- spondence.
Ball bearings.....		1	2	1	
Cranes, electric.....		2	1	3	5
Engineering specialties.....	1	2			
Electrical fittings.....	1		1	2	5
“ supplies.....		2	1	3	7
“ specialties.....			1	4	2
Electric irons.....			2	5	2

MACHINERY GENERAL—*Concluded.*

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S. A. Firms.	Amount of Corre- spondence.
Hose rubber.....	1	3	1	7	8
Heating systems.....	1				
Jointings.....	1				
Locomotives.....		1			
Lightening systems.....	1				
Machinery, canning.....		1	1	2	3
“ coal-cutting.....		1			
“ electrical.....	1	2			
“ general.....	1	2	2	4	6
“ mechanical.....		1			
“ mining.....	3	4	5	8	4
“ ore-crushing, for asbestos fibre.....	1				2
“ pump, rotary.....	1	2			
“ “ centrifugal.....	1	4	4	3	2
“ pumping.....		1			
“ rockdrilling.....	2	3			
“ irrigation.....	4	3			
“ transporting and lifting.....		1			
“ for screening, wire manfg.....	1				
“ sawing.....	1				
“ woodworking.....		1	1		
Machine tools.....	2		4	2	2
Mining hoists.....	1				
Ore or mining cars.....		5	3	5	3
Pulleys, wood split.....	2				
Packings, steam and water.....		2			
Rubber, mechanical goods.....	1	3	1	7	7
Rubber belting.....	1	3	1	8	9
Shoes and dies for stamp mills.....		2			4
Sanitary buckets.....		1			
Valves, wheel.....		2	3	2	2
Wire loops for rubber hose.....		1			

Machinery General.—Special attention is drawn to the great market that exists in Johannesburg for mining machinery, machinery specialties, shoes and dies for ore crushing or stamping, particulars of which have been published in the Weekly Bulletin.

Not only is there the existing market, but the development which will take place in the near future must be considered. Canadian engineering firms prepared to supply a market of this kind should open up offices in Johannesburg or correspond with this office with a view of placing their lines with the proper local engineering firms already established.

Attention is drawn to the value of this market as shown in the table of imports in the first part of this report. In addition, South Africa is a big field for other kinds of machinery and Canadian engineering firms who must of necessity have their mind's eye on future trade after the war should give the South African field their attention, and now is the right time to send a representative over.

There are Canadian firms making engineering specialties who have arranged, and others are arranging, agencies, and some good business is being done. With the changes and newer conditions existing in Canadian engineering plants, there should be big scope for export trade in machinery of all kinds, but in a special way in mining, electrical, irrigation, agricultural and manufacturing machinery.

VEHICLES AND ACCESSORIES.

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S. A. Firms.	Amount of Corre- spondence.
Bicycles.....			1	2	3
" accessories.....			1	2	3
Carriages.....			2	4	7
" baby.....		2	1	6	4
Celluloid sheets for motor hoods.....	1				
Carriage varnish.....	1				
" lamps.....	1				
Cart and carriage springs.....	1				
" wrenches.....	1				
Electrical motors.....	1				
" lorries.....		1			
Hand carts.....	6		1	2	3
Motor vans.....		1			1
" cars.....	3	8	1		3
" accessories.....	6				7
" tyres.....		1	1	5	3
Pony carts or buggies.....	1	1			2
Railway cars.....		4	2	10	14
Store trucks.....	1		1		
Solid carriage tyres.....	2				
Steel tyre wire.....	1				

Vehicles.—Considerable time was taken to ascertain the possibility of export from Canada of railway cars and mine cars, the South African Railway authorities at one time were greatly interested, but for the present negotiations are off. The railways here are making very special efforts to construct an extra number of cars in their own shops but with their best hopes realized they will not begin to meet the situation and there is no doubt the railways must soon be on the market for a good number of trucks and passenger cars. The new policy of the railways is to purchase as much as possible from overseas firms who have branch offices or representatives on the spot. Canadian car builders in a position for export and with an eye to future trade, should give this market their attention. Special efforts are also being made to interest the South African railways engineering department, in the supply of locomotives from Canada.

As a result of illustrations and other material published in the Weekly Bulletin describing the kind of wheelbarrow in demand in South Africa, one Canadian firm has made a special feature of this line and barrows have been exported to this market in large quantities.

During the past few months there have been many inquiries *re* the possibility of supply in motor cars from Canada. Three firms prepared to make arrangements for direct purchase and eight high class agency inquiries have gone forward for various priced cars.

A special demand for a pony cart should meet with some response from Canadian manufacturers.

Perambulators and baby carriages will also meet with a ready sale. Particulars have been submitted to the trade, and two firms are now represented and some business has resulted.

There is always a demand for hand carts from Canada.

WOOD LUMBER AND MANUFACTURES OF.

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Aspen logs.....	1				4
Butcher supplies.....			1	2	4
Box shooks.....	3	6	5	22	51
Butter boxes.....			1	5	4
Building timber.....	2	5	3	7	6
Cart and carriage material—wood.....	17	3	3	12	14
Closet seats.....		3	3	8	6
Clothes pins.....			1	3	5
Doors.....	3	2			2
Deals.....	4	1	2	5	2
Flooring and ceilings.....		1	2	7	
Handles.....	38	14	19	24	19
Handles—broom.....	6	1	1	4	6
Lumber—general.....	5	14	7	27	110
“ furniture.....	1	1	1	4	12
“ 3-ply.....	4	3			7
Lead pencils.....			1		2
Mouldings—picture.....	1	1			5
“ building.....	2				
Mantelpieces.....	2				
Prepared board.....		1	1	2	3
Readymade houses.....			1	4	7
Railway sleepers.....		2	4	12	14
Shelving.....	12				
Stepladders.....	17				2
School boards.....		2	1	2	2
Staves for casing kegs.....	1				
Window frames.....	2	1			2
Wood—all kinds.....	4				12
Woodenware.....	34	5	6	10	14
Wood for matchmaking.....			2	3	9
Wood veneer.....			1	2	3

Wood, Lumber and Manufactures of: The lumber trade generally and South African Railways Stores Department, were followed up closely during the year as well as all users of box shooks. As a result of these efforts, several demands for cargoes of lumber were submitted to Canada, also a repeat order of special car building Douglas fir for the South African railways.

On box shooks, several sample orders, running into 10,000 boxes each, have been placed with Canadian firms, who submitted complete details and prices; other firms quoted much higher than the Baltic prices.

With any kind of normal ocean shipping from British Columbia and at prices close to present quotations, big shipments will surely be booked. Limited ocean freight space has prevented a larger export of deals and other lumber from eastern Canada.

Prepared boards from Canada are finding more favour each day and some big business was booked during the year, although the building trade in all centres of South Africa is much smaller than usual.

In handles several companies are now represented and many new orders have been placed with Canada. The maple, pick, axe and tool-handle is making some headway.

In broom handles new trade has come to Canada, some ten days ago an order was cabled to one shipper for 60,000 broom handles.

Cart and carriage material in wood from Canada has profited in a big way by direct representation. The class of goods shipped have turned out well, which has resulted in many repeat orders.

FURNITURE.

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Bureaus.....	6				
Chairs—household.....	23	4	5	3	7
“ folding.....	20	4	7	10	7
“ office.....			1	2	4
Camp furniture.....	1				
Chest of drawers.....	1				
Furniture—general.....	1	3	2	6	3
“ shipped k.d.s.....	30	7	4	8	5
“ church and school.....		2			
Refrigerators.....	2				3
Tables.....	11	2	3	9	1

Furniture: Canada's position on chairs and some bedroom furniture improved during the year. The Canadian chairs, with the exception of a small percentage shipped in faulty parts have a splendid reputation and are now better known than any time in the past. As shown by the Inquiry Table above, there is a big demand for any furniture shipped in the k.d.s. and a much bigger trade would be secured if Canadian manufacturers were represented instead of depending on foreign indent houses, who often secure similar goods from their home market, claiming they could not be supplied by the Canadian manufacturers and this is not always right as at the time some Canadian manufacturers were inquiring how best to secure new or more South African trade.

Tables, chairs and bedroom suites have been ordered from new sources of supply in Canada for the first time in 1916. Through information imparted, owing to intelligent up-to-date information on our files from some Canadian concerns, several orders were placed during the year.

Representation by active interested agents would bring good business in all these lines.

MUSICAL INSTRUMENTS.

Article.	S.A. Trade Inquiries.	S.A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Banjos.....		1			
Concertinas.....		1			
Mouth Organs.....		1			
Organs.....	13	2	1	6	14
Pianos.....	3	1	2	14	11

Musical Instruments: Canadian manufacturers of pianos and organs have made good progress during the year as a number of them are now represented; business with Canada has been more general, but orders are not as bulky as they will be owing to the extreme cost of ocean freight.

This office covered the situation fully in reports to manufacturers and illustrations showing the kind of instrument required. Quite a bit of the new business for Canadian firms in these lines originated from this office, due to the fact that inquirers were shown the new catalogues and price lists with discounts before the agencies had been arranged.

PAPER AND STATIONERY ARTICLES.

Articles.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Bookbinding material.....		1			
Ink.....		1			
Loose leaf system.....			1	9	5
Publishers' agency.....		1			
Paper, art.....	2				
" bags.....	29	7	1	4	7
" boards.....		1			
" book.....	2				
" carbon.....					3
" coloured printing.....	1				
" envelopes.....	8	1			
" fruit-wrapping.....	1	1			
" grease-proof.....	5	2	1	3	5
" genuine parchment.....		1			
" general.....	2	5	9	20	1
" newsprint.....	2	3	2	12	16
" poster.....	2				
" tissue.....	1				
" toilet.....	2	1			2
" vegetable parchment.....	1	1			
" wrapping.....	35	11	3	14	5
" wall.....		1	2	8	7
" writing pads.....	19				
" for adding machines.....			1		4
Stationery sundries.....	1	2	3	4	

Paper and Stationery Lines: Paper in general has been the medium of considerable work during 1916. Newsprint and the conditions governing same from time to time have been reported on. The news shortage was also taken up by the Newspaper Association of South Africa and the South African Government. This position was considerably improved by a concession of the Elder Dempster Co. for increased space.

In wrapping paper shipments, Canada has made big headway, due to representation on the spot and in paper bags some good progress has been made towards the end of the year under review.

There has been some unfortunate experience in the envelope trade; several hundred thousand were sold on quotations and samples as received from a Canadian firm, but an advance was claimed on receipt of order in Canada. One of the representatives of this firm immediately arranged for acceptance of his orders on the increased price, but when this confirmation arrived in Canada, another increase was asked. Surely the cable could be used in a case of this kind, as these methods do harm to every branch of Canadian trade.

Another feature of this trade is sending samples and quotations to two different agency firms without notifying either firm of the course taken. An oversight no doubt, but it is unbusinesslike and helps to give Canadian trade a bad name.

Canadian carbon paper has been well advertised by the local dealers, also special window displays were made during the year.

Grease-proof paper was supplied from Canada on information given to inquirers.

Considerable work has been done in interesting an agency firm to take up a loose-leaf agency. This we have been successful in doing, and the prospects for future business are very good.

Through the medium of this office, some nine sample orders have been placed with Canada for wallpaper, and one firm has arranged for direct representation; another firm which we were working for along these lines, has arranged for representation on this market *via* New York.

LEATHER AND LEATHER TRADE REQUISITES.

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Boots and shoes.....	6	6			3
Balata belting.....		3	2	3	2
Farriers' requisites.....	1				
Hides.....			2	5	11
Leather, all kinds.....	4		2	9	6
“ belting.....	1	7	2	8	9
“ cushion.....	1	1	1	5	
“ carriage.....	5		1	10	2
“ furniture.....		1			
“ harness.....	5				
“ imitation.....	2				
“ Japan splits.....	1	1			
“ sole.....	1				
Suit cases.....	1	1			
Shoemakers' requisites.....	1				
Saddlers' requisites.....	1				
Trunks.....		1			

Leather: Active inquiries from Canada and information supplied have resulted in some fairly good orders being placed with Canada for certain lines of leather. Representation in the field is the only sure way to establish and hold a trade in this or other lines.

DRUGS, CHEMICALS, OILS, ETC.

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Carbide.....		5	1		8
Caustic soda.....		3			
Chemicals.....		1	2	8	3
Cyanide.....		1			1
Candles.....		1			
Disinfectants.....		1	1	3	2
Druggist supplies.....	1				
Fungicides and insecticides.....	1	2	4	4	4
Fertilizers.....		4			3
Glucose.....		1			
Linseed oil.....		1			
Manganese dioxide.....	1				1
Patent medicines.....		1	1		
Phosphates.....	1				1
Sulphur.....					1
Soap, toilet.....		1			3
Starch.....		1			
Spray oil.....		1			3
Sheep dips.....		1	1		
Toilet articles.....	2	1			2

Chemicals.—Carbide from Canada is in bigger demand as the war goes on and the trade generally express satisfaction at the quality and packing. This is a line which should receive some attention as far as Rhodesian representation is concerned and a line of this kind should be in the hands of some local Rhodesian engineering firm.

One Canadian firm is making a special effort to supply a spray oil and the prospects are that in the near future there will be a regular export from Canada. The connection made on this line was through a Trade Inquiry published in "Weekly Bulletin."

DRY GOODS.

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Blankets, flannelette.....	19	6			
" union.....	12	2			2
" wool.....	21	5			3
Cotton piece goods.....	31	9			4
Clothing.....	5	1			
Cotton bags, paper line.....	1				1
Cotton rope, white.....	1				
Corsets.....	1				1
Ducks.....	30	4	1	4	3
Ducks and drills for motor and carriage hoods.....	3	1			1
Hosiery.....	27	10			2
Hammocks.....			1	5	4
Jute Bags.....			1		2
Knitted goods.....	3	1	1	7	6
Linoleums.....	1				1
Oil cloth (floor and table).....		1			1
Overalls.....	14	4			2
Pillow cloths.....	1	1			
Rugs.....		1			
Shirts.....	11	4			
Socks.....			1		4
Sheetings.....	20	4			
Underwear.....	28	10	2	7	2

Dry Goods.—Very little headway has been made on any of the lines shown in the above table, although there was a general desire to get supplies from Canada, cotton piece goods such as cottonades, denims, drills, shirtings, prints, grey and white cottons, flannelettes and other piece goods have all had to be supplied in large quantities during the past two years from the United States of America.

Hosiery, vests and other underwear are also imported in quantity from the same source of supply and the natural South African query is why Canada cannot supply us with these goods.

The situation as it exists in Canada owing to war conditions has been explained and some hope is entertained that some of this trade will come from Canada in the near future.

MISCELLANEOUS.

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S.A. Firms.	Amount of corre- spondence.
Asbestos slates.....		1			
" sheets.....		2	3	12	2
" cement.....	1		3	2	1
Asphalt.....	1				4
Brushware.....	24	2	2	9	7
Brooms.....	1		4	2	2

MISCELLANEOUS—*Concluded.*

Article.	S. A. Trade Inquiries.	S. A. Agency Inquiries.	Canadian Inquirers.	Interviews with S. A. Firms.	Amount of corre- spondence.
Bedding.....					2
Bottles, milk.....	2				
“ honey.....	1				
“ all kinds.....		2			
Brass and copper goods.....			2	4	5
Bolts.....			1		2
Curry Combs.....			1	5	3
Coffins and caskets.....	1				2
Closets, porcelain.....	1		1	6	4
Coal tar.....		1			
Crockeryware.....	1				
Dolls.....	2				
Fibre for brooms.....			1	8	4
Fancy goods.....		2	2	3	
Fruit jars.....	2				
Glassware.....	2				
Hose furnishing lines.....		2			
Metal scrap.....			1	2	4
Optical goods.....			1	3	2
Packings.....			1	2	2
Photographic sundries.....	1				
Paints and varnish.....	11	1	2	8	3
Paint for outside work.....	1				
Razor paste.....			1	4	2
Rubber shoes, all kinds.....		1			
Roofings.....	1	1			11
Slates.....	1				
Steel troughs.....			1	2	3
Smallwares.....	1	2	1		
Safety fuse.....	1				
Sanitary closets.....		1			
Toys.....	1	1			3
Twines, cotton and hemp.....	2				2
Washing machines.....	8	1	1	4	3
Wool.....					3

Miscellaneous.—Some headway has been made with one line of Canadian brushware, and representation in this case is bringing good results.

In paints and varnish some splendid orders have been placed and the prospects are good for an increased business in these lines. Paints are a hard line to introduce, but once on the market, if the quality and packing is held up, they are hard to displace.

These miscellaneous lines take up a considerable time in interviews and the smaller the line the more trouble there is bring the attention of merchants or desirable agents to the necessity of taking them up.

SHORT REVIEW OF WORK DONE.

A review of the several tables giving details of the work done during the year show that in reference to a possible market for Canadian shippers or a source of supply for South African inquirers, information was submitted on 395 articles to 1,433 South African prospective purchasers, and 647 South African agents or commission houses. Canadian firms showing interest or making direct inquiry, numbered 432. Seeking the latest information on a rapidly changing market necessitated 892 interviews, and in addition there were many more interviews sought and granted on other subjects. Covering the queries on the 395 articles, there were despatched 1,194 letters.

CALLING ON CANADIAN FIRMS REPRESENTED.

One feature of the work which is very interesting and useful to the Canadian firms, is the custom of keeping in touch with the representatives of Canadian firms. A call at the sample room and a talk on business in general gives one some idea of what work the representatives are doing and for the newer representation much useful information is given to some agents as to prospective purchasers outside the regular channels of trade, also information of location of factories in Canada, number of miles to the sea port, the proper time to go after bulk orders for summer shipment from Canada and many other features of Canadian trade which seems to be helpful and I know is much appreciated.

SOUTH AFRICANS VISITING CANADA.

During the year letters of introduction were given to fourteen parties who intended visiting Canada. Orders were placed by several of these gentlemen, two of them remained in Canada as representatives of their respective interests, others have arranged for quite a number of agencies and some of them are back in South Africa working on their agencies.

OTHER FEATURES OF THE YEAR'S WORK.

In addition to the work as outlined, there are many other features such as keeping in touch with South African Government Departments and municipalities as regards their overseas purchases and submitting their tender forms for same to the Department in Ottawa.

Advising agents and commission houses who represent Canadian firms, that such and such tender forms are out.

Placing of Canadian firms on list of Union Tender Board and South African railways.

Keeping the Department in Ottawa posted on South African Customs alterations and Customs decisions.

Taking up complaints from South African merchants and making every endeavour to explain the possible reasons for the trouble before making complaint direct to Canada.

Reporting to Canadian firms full particulars on any application of theirs regarding the possibility of supply from South Africa or the condition regarding the manufacturing of any given line.

Answering applications from South Africans seeking information about emigration to Canada.

Distributing Canadian literature and directories. Keeping in touch with Canadian trade through the medium of trade papers and distributing locally and up-country to inquirers and to leading firms copies of special trade papers.

Going through local newspapers, trade papers, and making a study of all South African blue books, acts of parliament, or any document that may be of value to Canada. This entails a loss of time in many cases but it is a necessary work, and often gives good results.

Keeping Canada in evidence by publication in the news columns of South African papers of interesting news items of production, development and war effort. This means the writing up of some items, submitting extracts from Canadian Government reports, financial papers and trade papers.

REPORTS TO OTTAWA.

Part of the regular work in the office of a Trade Commissioner is the submitting of monthly reports to the Commercial Intelligence Branch for publication in "Weekly Bulletin." Below will be found a complete review of these reports.

Weekly Bulletin.	Date.	Subjects.
No. 615	November 8, 1915.....	Mining supplies for South Africa. Value of imported articles. Value of representation. Mining material and stores imported. Demand for Pianos and Organs in South Africa. Grand Pianos. Selling conditions.
619	December 5, 1915.....	British Columbia Apples. Direct representation. Meat export from South Africa. Ratio of Cattle to population. Recommendation to Government. The Income Tax of South Africa. How Incomes are earned. Average Taxable Income.
623	January 3, 1916.....	South African Imports from British Empire. South African Imports from Foreign Countries. Total Imports into South Africa. Apples from Canada. Agricultural Machinery and Implements. Demand for paper.
625	January 24, 1916.....	South African Imports of interest to Canada— Baking Powder. Flour. Lard. Butter. Wheat. Bacon. Cheese. Oatmeal. Tinned Meats. Jams and Jellies. Fresh eggs. Apples. Condensed milk. Confectionery. Preserved fish. Vegetables tinned or otherwise preserved. General Trade conditions.
633	March 13, 1916.....	Clothing, dry goods and small wares. Clothing. Overalls. Shirts. Sail and Tent Ducks. Cotton Piece Goods. Cotton Blankets and Rugs. Hosiery and Underclothing. Silks. Silk Hosiery and underclothing. Woollen manufactures. Blankets and Rugs. Woollen Hosiery and underclothing. Gloves and mittens. Umbrellas and parasols. Smallwares. Representation. Canadian Apples. Transvaal Gold Market.
634	April 17, 1916.....	Iron and Steel Imports into South Africa. General Hardware. Wire—Baling. Bolts, Nuts and Rivets. “ Fencing. Enamelware. “ Netting. Lamps and Lampware. Fencing standards. Cutlery. Iron and steel. Stoves. Windmills. Axles and springs. Pumps and Engines. Horseshoes. Locomotives. Tools. Rails. Nails and screws. Bedsteads. Pipes, piping and fittings. Sewing machines. Agricultural Machinery. Railway material. Machinery, manufacturing. “ mining. “ printing. “ electrical. Electrical material. Implements, Dairy Utensils. “ Agricultural. Tar and Tinware manufactures.

Weekly Bulletin.	Date.	Subjects.
No.		
642	May 15, 1916.....	South African Imports in 1915. Imports from Foreign Countries. Principal Imports. South African Stores. South African Exports in 1915. Increase in Exports.
644	May 29, 1916.....	Output of the Rand Gold Mines. Maintaining the Output. Far East Rand. South African Government Budget, 1916-17. Income Tax. Export of Diamonds.
648	June 26, 1916.....	Demand for Brushware in South Africa. Consignments to South Africa.
649	July 3, 1916.....	South African Trade in recent years. Overseas shipping in South African Ports. Japan to South Africa. South African Imports from 1913 to 1915. Imports of interest to Canada, being a general review covering all lines from pages 5 to 30. This general review was followed by a further instalment in Weekly Bulletin No. 655, Pages 349 to 377.
655	August 14, 1916.....	See note attached to Weekly Bulletin No. 649. South African Reports.
658	September 4, 1916....	South African Railways in 1915. Maize, Hides and Wool. Diamond Industry. Expenditure for the year 1915. South African Railway Stores Department. Railway purchases in detail.
659	September 11, 1916....	Canadian Trade in South Africa. South African Merchant's Diamonds. Commission and Buying Houses in Canada, South African Trade Inquiries. Trade of South Africa after the War, Johannesburg Chamber of Commerce. Durban Chamber of Commerce. Port Elizabeth Chamber of Commerce. South African Exports. South African Agricultural Exports. Some export figures. Some import figures.
661	September 25, 1916....	New Patent Law in South Africa. The value of the Act. Feature of the Patent Laws.
662	October 2, 1916.....	South African half year's trade. Value of Imports into S.A. by Countries. Union of South Africa's imports. Union of South Africa's exports.

SPECIAL REPORTS.

There are reports made to the Department of a special character; some are confidential, and others for publication.

The following details show the number of special reports made to the Department, most of which were published with illustrations showing the kind and finish of articles which is required by the South African importer.

It is only those who have had the experience of securing such details from buyers trained in Great Britain who can possibly realise the time and patience

it requires to secure all the information which has been published in these special reports.

Weekly Bulletin—

- No. 615, Nov. 8th, 1915.—Market in South Africa for pianos.
- " 618, " 29th, 1915.—South African markets for stoves.
- " 618, " 29th, 1915.—Canadian Enamelware in South Africa.
- " 624, June 10th, 1916.—Iron bedsteads for South Africa.
- " 624, " 10th, 1916.—Paper in demand in South Africa.
- " 626, " 24th, 1916.—Opportunity for railway ties in South Africa.
- " 626, " 24th, 1916.—Washing machinery in South Africa.
- " 627, Jan. 31st, 1916.—Market for desks in South Africa.
- " 627, " 31st, 1916.—Market for perambulators in South Africa.
- " 627, " 31st, 1916.—Market for go-carts in South Africa.
- " 628, Feb. 7th, 1916.—Market for furniture in South Africa.
- " 631, " 28th, 1916.—Market for Locks in South Africa.
- " 632, Mar. 6th, 1916.—Lamp Chimneys in demand in South Africa.
- " 633, " 13th, 1916.—Market for Ploughs in South Africa.
- " 633, " 13th, 1916.—Market for Stoves in South Africa.
- " 633, " 13th, 1916.—Paper in demand.
- " 633, " 13th, 1916.—South African opening for Organs.
- " 634, " 20th, 1916.—Wooden goods for South Africa.
- " 635, " 27th, 1916.—South African opening for Hammers.
- " 635, " 27th, 1916.—Churns in demand in South Africa.
- " 636, April 3rd, 1916.—South African market for Closet seats.
- " 638, " 17th, 1916.—Douglas Fir timber wanted in South Africa.
- " 638, " 17th, 1916.—Estimated expenditure of South African Railways.
- " 640, Aug. 1st, 1916.—Hall furniture in demand in South Africa.
- " 640, " 1st, 1916.—Electric Cranes for South Africa.
- " 641, May 8th, 1916.—Opening for Furniture Hardware in South Africa.
- " 641, " 8th, 1916.—Box Shooks required in South Africa.
- " 641, " 8th, 1916.—Oils required by South African railways.
- " 642, " 15th, 1916.—Safes in demand in South Africa.
- " 643, " 22nd, 1916.—Furniture in demand for South Africa.
- " 644, " 29th, 1916.—Wrenches required in South Africa.
- " 646, June 12th, 1916.—Opening for pumps in South Africa.
- " 648, " 26th, 1916.—Market for Brushware in South Africa.
- " 648, " 26th, 1916.—Market for Woodenware in South Africa.
- " 649, July 3rd, 1916.—Closets required in South Africa.
- " 662, Oct. 2nd, 1916.—Hacksaws in demand in South Africa.
- " 664, " 16th, 1916.—Inquiry for Zinc Sheets from Canada.
- " 664, " 16th, 1916.—Opening in South Africa for Bedsteads.
- " 664, " 16th, 1916.—Demand for Farm and Garden Implements in South Africa.

VALUE OF THE SOUTH AFRICAN MARKET.

The purchasing power of South Africa in proportion to its population is very high. South Africa has made considerable headway during the past two years in enlarging old, and establishing new industries, but owing to new developments in mining, manufacturing, irrigation, cattle raising, and agriculture, importation will continue on a large scale for years, and as most South African importers are determined to purchase as much as possible of their North American requirements from Canada, Canadian manufacturers and producers of all kinds should realise the necessity to supply every information possible regarding their position for immediate export and the possibilities for export in the near future, as well as immediately after the war.

The iron and steel trade and manufactures thereof, including engineering, mining machinery, mining supplies, railway material, and agricultural machinery firms have an opportunity to establish a trade which will not be duplicated for a long while in any field of export. This applies to many other lines which will be dealt with in detail further on in this report.

The import trade this year for the nine months ending September 30th, is a little better than the previously best year for imports into South Africa, the year 1913, when the imports reached a value of \$201,700,000, and although at the moment it is impossible to secure figures showing quantities imported this year, there is no doubt that the quantities in many lines are much less, the values being higher, which is balanced by the fact that the exports from South Africa are being sold at a much higher price than any time in the past. Thus, the year 1916 has been a prosperous and progressive year for South Africa.

AVERAGE AMOUNT OF TOTAL IMPORTS.

So that Canadian firms interested in export may realise the value of this market and the necessity for representation in a field which is eager to purchase Canadian goods, the following table has been arranged showing the average annual imports for the past five years into British South Africa, on articles which Canada should secure a larger trade.

	Average Annual Imports.
	\$
Agricultural implements of all kinds.....	1,900,000
Agricultural machinery.....	850,000
Food and drink, articles of—	
Flour and meal.....	3,000,000
Grain (including malt).....	4,600,000
Fruit, fresh (including nuts).....	325,000
Fruit, dried or preserved.....	390,000
Vegetables, preserved.....	185,000
Butter and butter substitutes.....	1,250,000
Cheese.....	790,000
Milk, condensed.....	2,125,000
Hams, bacon and salted meats.....	1,150,000
Meats, preserved.....	700,000
Biscuits.....	345,000
Confectionery, jams and jellies.....	1,475,000
Fish, fresh, dried or preserved.....	1,275,000
Raw material—	
Brass and copper.....	875,000
Iron and steel.....	4,100,000
Tar, bitumen and asphalt.....	132,000
Glycerine for manufactures.....	2,300,000
Leather, unmanufactured.....	970,000
Wood, raw and partly prepared.....	3,900,000
Brushware.....	280,000
Clocks and watches.....	390,000
Furniture of all sorts, including carpets.....	2,825,000
Glass and glassware.....	1,050,000
Lampware.....	225,000
Plate and plateware.....	610,000
Antifriction grease.....	230,000
Electrical machinery.....	2,020,000
Fire engines.....	72,000
Manufacturing and sawing machinery.....	1,460,000
Mining machinery.....	4,310,000
Printing machinery.....	190,000
Water-boring machinery.....	97,000
All other (and parts thereof, not including locomotives or agricultural machinery).....	4,400,000
Metal manufactures other than machinery—	
Brass and copperware.....	186,000
Fencing material, wire standards, etc.....	2,030,000
Tar manufactures.....	192,000
Hardware and cutlery and iron manufactures.....	7,375,000
Paints and painters goods.....	950,000
Soap of all kinds.....	544,000

	Average Annual Imports.
	\$
Textile Goods, wearing apparel, etc.—	
Apparel and slops or clothing.....	12,500,000
Boots and shoes.....	5,750,000
Canvas and duck.....	272,000
Cotton piece goods.....	8,460,000
Cotton manufactures (N.O.D.).....	7,340,000
Hats and caps.....	1,125,000
Tents and tarpaulins.....	240,000
Woollen piece goods.....	1,550,000
Woollen manufactures.....	2,320,000
Miscellaneous manufactured goods—	
Arms and ammunition.....	1,247,000
Binder twine.....	92,000
Cordage and rope.....	235,000
Drugs, chemicals and medicines.....	4,950,000
Electric cable and fittings.....	2,200,000
India rubber goods (not tyres).....	212,000
Instruments, musical.....	700,000
Instruments (N.O.D.).....	154,000
Jewellery.....	692,000
Leather manufactured (Not B. & S.).....	512,000
Paper of all sorts.....	1,600,000
Perfumery.....	410,000
Printer's materials.....	226,000
Railway and Tramway materials (including locomotives but not S.A.).....	2,350,000
Saddlery and harness.....	265,000
Sporting goods, toys and tobacconists wares.....	1,240,000
Stationery and stationer's goods of all sorts.....	3,585,000
Tyres.....	1,500,000
Vehicles of all sorts, not motor.....	1,370,000
Vehicles, motor of all sorts.....	4,300,000
Wood manufactures (not furniture).....	1,175,000
South African Government purchases.....	14,770,000
Total average annual imports.....	177,000,000
From United States of America.....	17,000,000
From Canada.....	4,000,000

PROSPECTS FOR 1917.

The figures of trade in South Africa for 1916 show prosperity all the way through: in fact, at the moment of writing the returns show a better trade for a given period than the trade 1913, which was high-water mark for South Africa.

All signs indicate a continuation of the 1916 prosperity if not an increase of same, as all mineral and agricultural productions of the country are in greater demand at higher prices.

Gold mining is still working at high pressure, and will continue its special efforts of production. New areas have just been leased to strong mining corporations by the South African Government; this means immediate development and, in consequence, a large demand for new mining machinery and supplies.

The diamond mining is resuming operations on an extensive scale, and the results of the 1916 sales are away beyond all estimates, with every prospect of the demand continuing.

The ocean freight rates are certainly helping to restrict imports on certain lines, but in a general way on most of the lines which Canada is in a position to offer South Africa, there is sure to be a demand which should mean good business for Canada in 1917, with her increased representation, if the local conditions

governing the production at Canadian plants will permit the manufacturer to cater for the export trade

In connection with this phase of the position, it may be a hard thing to accomplish and it may have to be done at some extra cost, but it is safe to say that the Canadian firms who make a real effort for this market in 1917 are assured of a permanent trade in the future.

PUBLICATIONS OF THE DEPARTMENT OF TRADE AND COMMERCE.

Annual Report.

- *PART I.—CANADIAN TRADE. (Price, 70 cents.)
Imports into and Exports from Canada.
(Itemized and General Statements.)
- *PART II.—CANADIAN TRADE. (Price, 15 cents.)
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4. With United States.
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